



ANNUAL REPORT

LETTER FROM THE CEO



JUNE 27, 2024

DEAR SHAREHOLDERS,

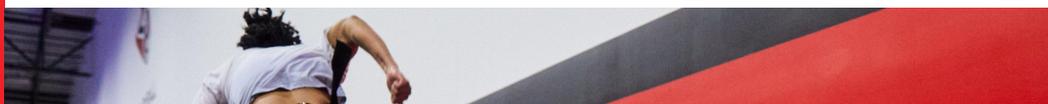
Since Under Armour's founding nearly 30 years ago, our goal has been to deliver industry-leading, innovative products that empower athletes to perform at the highest levels of competition. With a heritage centered on athletic performance, Under Armour is one of only a few podium brands with the credibility of being recognized worldwide as an authentic, on-field, court, and pitch performance brand. It is a privilege we do not take for granted and represents an immense responsibility. While our strengths are undeniable, we have been inconsistent in recent years in how we show up in the market, articulate stories to consumers, and deliver industry-leading products every day.

At our best, we can deliver incredible innovations and storytelling. In our fourth quarter, we delivered six new footwear drops – Infinite Pro, Infinite Elite, SlipSpeed Mega, and Apparition in running, new Curry colorways at the NBA All-Star game, and Drive Pro in golf, yet we showed up quietly. However, at this year's Boston Marathon, UA athlete Sharon Lokedi took her third podium wearing the Velociti Elite 2 running shoes – and ahead of the race, our team did a fantastic job flooding social media channels with our messaging. These examples, our SlipSpeed footwear franchise, Unstoppable collection, and women's Meridian products, demonstrate the power of fully aligning our product and marketing engines.

Moreover, Under Armour delivers some of our industry's highest-performing innovations and materials sciences, including moisture-wicking, body temperature management, cushioning, compression, and sustainable fabrics. Still, we've not consistently communicated our product advantages to athletes – what it is, what it does, and how it will make them better.

This will change. If a product is important enough for us to develop and release, it's important enough to celebrate with storytelling – if not, we won't make it. That is a crucial focus of our work as we reconstitute our brand, particularly in North America, moving forward with clarity around our purpose of empowering those who strive for more.

In fiscal 2024, we faced a challenging macroeconomic environment and increasingly competitive industry dynamics, which included historically elevated inventories and a constant drumbeat of promotions. Amid these conditions, our revenue declined 3% to \$5.7 billion, primarily due to challenges in our North American business. Even so, our gross margin improved 130 basis points to 46.1%, driven mainly by supply chain benefits, and our adjusted operating income and adjusted diluted earnings per share were in line with the outlook we gave at the beginning of the year.



Due to a confluence of factors, including lower wholesale channel demand and inconsistent execution across our business, we are seizing this critical moment to make proactive decisions to build a premium positioning for our brand, which will pressure our top line in the mid-term. Under Armour embraces its underdog spirit, and we have the grit and determination to tackle this next chapter. The output of this work will take time, but we are moving with urgency to deliver consistently across our business. We have refined and simplified our *Protect This House* strategy to concentrate on three main priorities to reposition our business: achieving more, doing less, and focusing on our core fundamentals. This is what you can expect from us:



- 1. Delivering Products and Storytelling.** We will prioritize our core performance and technical innovation competency to avoid competing on price, particularly in North America. To do this, we are editing our product offerings and working to better communicate our product advantages to athletes in the near term – doing more with less and being more intentional with our future offerings by focusing on “better” and “best” level products and driving greater operational efficiency. While a critical mass of elevated offerings won’t fully come to market until the fall/winter 2025 season, in the next 18 months, we plan to reduce our SKU/style count by 25% and add greater flexibility and speed to our go-to-market capabilities. We are also prioritizing our core men’s apparel business, reorganizing our product and marketing teams around our largest revenue sports categories, and ensuring that our authenticator of Team Sports, like basketball, football, and American football, is front and center to maintain a relationship with our targeted 16-24-year-old athletes. Brands are built with consistency, and we will strengthen our brand in this chapter.
- 2. Running Smarter Plays.** We allowed ourselves to become overly complex in the last few years. We will be more intentional, simplifying our design language and how we operate. We will streamline our operating model, modernize our supply chain and planning processes, and optimize our cost base to drive greater efficiencies and, ultimately, better profitability. This includes assigning single points of accountable leadership within our product, marketing, and sales organizations to stay fully aligned as we deliver go-to-market strategies focused on our athletes’ needs, giving us greater visibility into the category and product performance critical to creating greater agility and adaptation.

3. Elevating Consumer Experiences. Our work to elevate the Under Armour brand experience, become more premium, and build better connections with athletes is of particular focus as we look to address our North American business. We will make our eCommerce business a premium platform by deliberately reducing promotions, discounting, and harnessing the growing power of our UA Rewards loyalty program. As a companion piece to this, we plan to increase the awareness and velocity when we release new products – becoming a brand of launches with performance solutions athletes never knew they needed and once they’ve tried them, cannot imagine living without them. We also have a meaningful opportunity to elevate our retail consumer experience at our Brand Houses, which must become a premium showcase for UA, and at our Factory Houses, where we see additional opportunities for margin expansion and a better, more curated expression for our consumers. This North American focus does not mean we’re taking our foot off the gas in international markets, which remain an essential part of our business. We will maintain high-quality sales across all channels and protect our premium brand positioning in every region worldwide.



With these priorities, we are leaning into the things that work well and reducing the complexity that has distracted us from our core mission – to make athletes better. We have a strengthened and experienced management team, the talent and determination to deliver on these objectives, and a strong balance sheet, as evidenced by our Board’s recent approval of a three-year, \$500 million Class C share buyback program.

Our strategy will take time to come to fruition. As we execute against our goals – we will remain disciplined in our efforts to strengthen Under Armour, provide stability, and focus on consistent execution to deliver better results for all stakeholders. I am honored to be back leading this iconic brand, and I am excited to bring a clear sense of purpose and 100% commitment to unlocking our full potential and generating more consistent value creation in the future. While on this journey, we will continue to care for the Under Armour brand, our teammates, and our communities, including our home in Baltimore, as we move into our new headquarters later this year.

Thank you for your continued support.

A handwritten signature in black ink, appearing to read 'Kevin Plank', with a stylized flourish at the end.

KEVIN PLANK
President & Chief Executive Officer
Under Armour, Inc.



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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File No. 001-33202



UNDER ARMOUR, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

1020 Hull Street

Baltimore, Maryland 21230

(Address of principal executive offices) (Zip Code)

52-1990078

(I.R.S. Employer
Identification No.)

(410) 468-2512

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Class A Common Stock

UAA

New York Stock Exchange

Class C Common Stock

UA

New York Stock Exchange

(Title of each class)

(Trading Symbols)

(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

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Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ⁽¹⁾

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of September 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's Class A Common Stock and Class C Common Stock held by non-affiliates was \$1,290,282,890 and \$1,228,521,026, respectively.

As of May 15, 2024 there were 188,802,043 shares of Class A Common Stock, 34,450,000 shares of Class B Convertible Common Stock and 213,245,598 shares of Class C Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Under Armour, Inc.'s Proxy Statement for the Annual Meeting of Stockholders to be held on September 4, 2024 are incorporated by reference in Part III of this Annual Report on Form 10-K.

⁽¹⁾ Refer to Part III, Item 11 of this Annual Report on Form 10-K for additional information.

UNDER ARMOUR, INC.
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PART I.

FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Annual Report on Form 10-K constitute forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, such as statements regarding our share repurchase program, our future financial condition or results of operations, our prospects and strategies for future growth, potential restructuring efforts, including the scope of these restructuring efforts and the amount of potential charges and costs, the timing of these measures and the anticipated benefits of our restructuring plans, expectations regarding promotional activities, freight, product cost pressures and foreign currency impacts, the impact of global economic conditions and inflation on our results of operations, our liquidity and use of capital resources, the development and introduction of new products, the implementation of our marketing and branding strategies, the future benefits and opportunities from significant investments and the impact of litigation or other proceedings. In many cases, you can identify forward-looking statements by terms such as "may," "will," "could," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "outlook," "potential" or the negative of these terms or other comparable terminology.

The forward-looking statements contained in this Annual Report on Form 10-K reflect our current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by these forward-looking statements, including, but not limited to, those factors described in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" herein. These factors include without limitation:

- changes in general economic or market conditions, including increasing inflation, that could affect overall consumer spending or our industry;
- increased competition causing us to lose market share or reduce the prices of our products or to increase our marketing efforts significantly;
- fluctuations in the costs of raw materials and commodities we use in our products and our supply chain (including labor);
- our ability to successfully execute our long-term strategies;
- our ability to effectively drive operational efficiency in our business;
- changes to the financial health of our customers;
- our ability to effectively develop and launch new, innovative and updated products;
- our ability to accurately forecast consumer shopping and engagement preferences and consumer demand for our products and manage our inventory in response to changing demands;
- our ability to successfully execute any potential restructuring plans and realize their expected benefits;
- loss of key customers, suppliers or manufacturers;
- our ability to further expand our business globally and to drive brand awareness and consumer acceptance of our products in other countries;
- our ability to manage the increasingly complex operations of our global business;
- the impact of global events beyond our control, including military conflicts;
- the impact of global or regional public health emergencies on our industry and our business, financial condition and results of operations, including impacts on the global supply chain;
- our ability to successfully manage or realize expected results from significant transactions and investments;
- our ability to effectively market and maintain a positive brand image;
- our ability to attract key talent and retain the services of our senior management and other key employees;
- our ability to effectively meet regulatory requirements and stakeholder expectations with sustainability and social matters;

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- the availability, integration and effective operation of information systems and other technology, as well as any potential interruption of such systems or technology;
- any disruptions, delays or deficiencies in the design, implementation or application of our global operating and financial reporting information technology system;
- our ability to access capital and financing required to manage our business on terms acceptable to us;
- our ability to accurately anticipate and respond to seasonal or quarterly fluctuations in our operating results;
- risks related to foreign currency exchange rate fluctuations;
- our ability to comply with existing trade and other regulations, and the potential impact of new trade, tariff and tax regulations on our profitability;
- risks related to data security or privacy breaches;
- our ability to remediate the material weaknesses discussed elsewhere in this Annual Report on Form 10-K; and
- our potential exposure to and the financial impact of litigation and other proceedings, including those legal proceedings discussed elsewhere in this Annual Report on Form 10-K.

The forward-looking statements contained in this Annual Report on Form 10-K reflect our views and assumptions only as of the date of this Annual Report on Form 10-K. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

Throughout this Annual Report on Form 10-K: (i) the term "Fiscal 2025" means our fiscal year beginning on April 1, 2024 and ending March 31, 2025; (ii) the term "Fiscal 2024" means our fiscal year beginning on April 1, 2023 and ended March 31, 2024; (iii) the term "Fiscal 2023" means our fiscal year beginning on April 1, 2022 and ended March 31, 2023; (iv) the term "Transition Period" means the period beginning on January 1, 2022 and ended March 31, 2022; and (v) the term "Fiscal 2021" means our fiscal year beginning on January 1, 2021 and ended December 31, 2021. Our Consolidated Financial Statements are presented in U.S. dollars. As used in this report, the terms "we," "our," "us," "Under Armour" and the "Company" refer to Under Armour, Inc. and its subsidiaries unless the context indicates otherwise.

ITEM 1. BUSINESS

General

Our principal business activities are developing, marketing and distributing branded performance apparel, footwear and accessories for men, women and youth. Our performance products are engineered in many designs and styles for use in nearly every climate and are worn worldwide by athletes at all levels, from youth to professional, on various playing fields around the globe and by consumers with active lifestyles.

We generate net revenues from the sale of our products globally to national, regional, independent and specialty wholesalers and distributors. We also generate net revenue from the sale of our products through our direct-to-consumer sales channel, which includes our owned Brand and Factory House stores and e-commerce websites. We plan to continue to grow our business over the long term through increased sales of our apparel, footwear and accessories; growth in our direct-to-consumer sales channel; and expansion of our wholesale distribution. We believe that achievement of our long-term growth objectives depends, in part, on our ability to execute strategic initiatives in key areas including our wholesale, footwear, women's and direct-to-consumer businesses. Additionally, our digital strategy is focused on supporting these long-term objectives, emphasizing connection and engagement with our consumers.

We were incorporated as a Maryland corporation in 1996. We have registered trademarks around the globe, including UNDER ARMOUR®, HEATGEAR®, COLDGEAR®, HOVR® and the Under Armour UA Logo ®, and we have applied to register many other trademarks. This Annual Report on Form 10-K also contains additional trademarks and tradenames of our Company and our subsidiaries. All trademarks and trade names appearing in this Annual Report on Form 10-K are the property of their respective holders.

Products

Our product offerings consist of apparel, footwear and accessories for men, women and youth. We market our products at multiple price levels and provide consumers with products that we believe are superior to non-performance-oriented athletic products. Our products are primarily designed for athletic and active occasions, though many of our products can be worn or used in casual occasions. In Fiscal 2024, sales of apparel, footwear and accessories represented 66%, 24% and 7% of net revenues, respectively. Licensing arrangements represented 2% of net revenues. Refer to Note 12 to the Consolidated Financial Statements, included in Part II, Item 8 of this Annual Report on Form 10-K, for net revenues by product category.

Apparel

Our apparel is offered in a variety of styles and fits to enhance comfort and mobility, support active movement, regulate body temperature and improve performance regardless of weather conditions. Our apparel is engineered to replace non-performance fabrics in athletics and fitness applications with innovation and technologies designed and merchandised with various techniques and styles. Our apparel comes in three primary fit types: compression (tight fit), fitted (athletic fit) and loose (relaxed fit). Our mission is to make athletes better, and we aim to innovate our technical apparel products to provide performance benefits, such as creating breathable warmth, helping the body stay cool and dry in hotter-than-normal conditions; harnessing the body's energy to help fight fatigue; adapting to each athlete's unique body shape to improve fit and comfort and prevent slippage; and providing protection against rain while maintaining breathability.

These types of innovations and technologies, embedded in many of our apparel products, include: COLDGEAR®, COLDGEAR INFRARED®, HEATGEAR®, UA Iso-Chill™, UA RUSH™, UA SMARTFORM™ and UA STORM™.

Footwear

Footwear includes products for running, training, basketball, cleated sports, recovery and outdoor applications. Our footwear is built with the mindset of making athletes better through differentiated and industry leading cushioning technologies such as Charged Cushioning®, UA Flow™, HOVR® and UA Micro G®. These cushioning platforms provide athletes with plush underfoot and improved ground feel, enhanced responsiveness and lightweight solutions. We also incorporate advanced materials and innovative consumer-centric constructions to enhance performance.

Accessories

Accessories primarily includes the sale of athletic performance gloves, bags, headwear and socks. Some of our accessories include the technologies mentioned above and are designed with advanced fabrications to provide the same level of performance as our other products.

License

We have agreements with licensees to develop certain Under Armour apparel, footwear, accessories and equipment. To maintain consistent brand quality, performance and compliance standards, our product, marketing, sales and quality assurance teams are involved in all steps of the design and go-to-market process. During Fiscal 2024, our licensees offered collegiate apparel and accessories, baby and youth apparel, team uniforms, socks, underwear, lunch boxes, coolers, water bottles, eyewear and other specific hard goods equipment that feature performance advantages and functionality like our other product offerings.

Marketing and Promotion

We currently focus on marketing our products to consumers primarily for use in athletics, fitness, training activities, as well as casual use through sportswear products, emphasizing our ability to support the needs of our athletes at all moments of their day. We seek to drive consumer demand by building brand awareness that our products deliver advantages to help athletes perform better.

Sports Marketing

Our marketing and promotion strategy begins with providing and selling our products to high-performing athletes and teams at the high school, collegiate and professional levels. We execute this strategy through outfitting agreements, professional, club and collegiate sponsorship, individual athlete and influencer agreements and by providing and selling our products directly to teams and individual athletes. We also seek to sponsor and host consumer events to drive awareness and brand authenticity from a grassroots level by hosting combines, camps and clinics for young athletes in a variety of sports. As a result, our products are seen on the field and the court, and

by various consumer audiences through the internet, television, magazines and live sporting events. This exposure helps us establish on-field authenticity as consumers can see our products being worn by high-performing athletes.

We are the official outfitter of athletic teams in several high-profile collegiate conferences and professional sport organizations, supporting the athletes on and off the field. We sponsor and sell our products to international sports teams, which helps drive brand awareness in various countries and regions worldwide. Further, we leverage our relationships with athletes, teams, leagues and youth experiences in our global and regional marketing and promotions.

Media

We feature our products in a variety of national digital, broadcast, and print media outlets. We also utilize social media to engage consumers and promote connectivity with our brand and products while engaging with our consumers throughout their day.

Retail Presentation

Our retail marketing strategy is focused on increasing floor space dedicated to our products within our major wholesale accounts and elevating the presentation of our products within our Brand and Factory House retail stores. A key component of our strategy to secure prime floor space within our major wholesale accounts is the design of Under Armour point of sale displays and concept shops, which enhance our brand's presentation by creating a shop-in-shop approach using dedicated space—including flooring, lighting, walls, displays and images—exclusively for our products through which we create an exciting environment for the consumer to experience and learn about our brand.

Loyalty Program

The Company offers customer loyalty programs in the United States and throughout parts of its Asia-Pacific region, including China in which customers earn points based on purchases and other promotional activities that can be redeemed for discounts on future purchases or other rewards.

Sales and Distribution

The majority of our sales are generated through wholesale channels, including national and regional sporting goods chains, independent and specialty retailers, department store chains, mono-branded Under Armour retail stores in certain international markets, institutional athletic departments and leagues and teams. In various countries where we do not have direct sales operations, we sell our products to independent distributors or engage licensees to sell our products.

We also sell our products directly to consumers through our global network of Brand and Factory House stores and e-commerce websites. Factory House stores serve an important role in inventory management by allowing us to sell a portion of excess, discontinued and out-of-season products, while maintaining the pricing integrity of our brand in our other distribution channels. We also sell products that are specifically designed for sale in our Factory House stores. Consumers experience a premium expression of our brand through our Brand House stores while having broader access to our performance products. In Fiscal 2024, sales through our wholesale, direct-to-consumer and licensing channels represented 57%, 41% and 2% of net revenues, respectively.

Our primary business operates in four geographic segments: (i) North America, comprising the United States and Canada, (ii) Europe, the Middle East and Africa ("EMEA"), (iii) Asia-Pacific, and (iv) Latin America. These geographic segments operate predominantly in one industry: developing, marketing and distributing branded performance apparel, footwear and accessories. Refer to Note 19 to the Consolidated Financial Statements, included in Part II, Item 8 of this Annual Report on Form 10-K, for net revenues by segment.

Corporate Other consists primarily of (i) operating results related to our MapMyFitness digital platform, which includes MapMyRun® and MapMyRide® (collectively "MMR"), and other digital business opportunities; (ii) general and administrative expenses not allocated to an operating segment, including expenses associated with centrally managed departments such as global marketing, global IT, global supply chain and innovation, and other corporate support functions; (iii) restructuring and restructuring related charges, if any; and (iv) certain foreign currency hedge gains and losses.

Our North America segment accounted for approximately 61% of our net revenues for Fiscal 2024, while our EMEA, Asia-Pacific and Latin America segments combined represented approximately 38%. Net revenues generated from the sales of our products in the United States were \$3.2 billion for Fiscal 2024. No single customer accounted for more than 10% of the Company's net revenues for Fiscal 2024.

North America

We sell our apparel, footwear and accessories in North America through wholesale and direct-to-consumer channels. We also earn license revenues in North America based on our licensees' sales of collegiate apparel and accessories, as well as other licensed products.

Our direct-to-consumer sales are generated through our Brand and Factory House stores and e-commerce website. As of March 31, 2024, in North America, we had 183 Factory House stores primarily located in outlet centers and 17 Brand House stores throughout the United States and Canada. Consumers can also purchase our products directly from our e-commerce website.

We distribute the majority of our products to our North American wholesale customers and our own retail stores and e-commerce channels from distribution facilities we lease and operate in California, Maryland and Tennessee. In addition, we distribute our products in Canada through a third-party logistics provider. In some instances, we arrange to have products shipped directly to customer-designated facilities from the factories that manufacture our products.

EMEA

We sell our apparel, footwear and accessories in EMEA primarily through wholesale customers and independent distributors, along with e-commerce websites and Brand and Factory House stores we operate within Europe. We also sell our branded products to various sports clubs and teams in Europe. We generally distribute our products to our retail customers and e-commerce consumers in Europe through a third-party logistics provider in the Netherlands and a bonded warehouse in the United Kingdom. We sell our apparel, footwear and accessories through independent distributors in the Middle East and Africa.

Asia-Pacific

We sell our apparel, footwear and accessories products in China, South Korea, Australia, Singapore, Malaysia and Thailand through stores operated by our distribution and wholesale partners, along with e-commerce websites and Brand and Factory House stores that we own and operate. We also sell our products to distributors in New Zealand, Taiwan, India and other countries in Southeast Asia where we do not have direct sales operations. We distribute our products in Asia-Pacific through third-party logistics providers based in Hong Kong, China, South Korea, Australia and Singapore.

We have a license agreement with a partner in Japan, which produces, markets and sells our branded apparel, footwear and accessories. Our branded products are sold in this market to large sporting goods retailers, independent specialty stores, professional sports teams and licensee-owned retail stores. We hold a non-controlling interest in our partner.

Latin America

We sell our apparel, footwear and accessories in Mexico through wholesale and direct-to-consumer channels. We distribute our products in Mexico through a third-party logistics provider. In countries where we no longer have direct sales operations, such as Chile, Ecuador, Argentina, Colombia and Brazil, we distribute our products through independent distributors, sourced primarily through our international distribution hub in Panama.

Product Design and Development

Our products are developed by internal product development teams and manufactured with technical fabrications produced by third parties. This approach enables us to select and create superior, technically advanced materials, curated to our specifications, while focusing our product development efforts on style, performance and fit.

We seek to deliver superior performance in all products, with a mission to make athletes better. Our developers proactively identify opportunities to create and improve performance products that meet the evolving needs of our consumers. We design products with consumer-valued technologies, utilizing color, texture and fabrication to enhance consumer perception and understanding of product use and benefits.

Our product teams also work closely with our sports marketing and sales teams and with professional, collegiate and young athletes to identify product developments, trends and determine market needs.

Sourcing, Manufacturing and Quality Assurance

Many specialty fabrics and other raw materials used in our apparel products are technically advanced products produced by third parties. The fabric and other raw materials used to manufacture our apparel products are sourced by our contracted manufacturers from a limited number of suppliers pre-approved by us. In Fiscal 2024,

our top five suppliers provided approximately 38% of the fabric used in our apparel and accessories. These fabric suppliers have primary locations in Taiwan, China, Malaysia and Vietnam. The fabrics used by our suppliers and manufacturers are primarily synthetic and involve raw materials, including petroleum-based products that may be subject to price fluctuations and shortages. We also use cotton as a blended fabric in some of our apparel products. Cotton is a commodity that is subject to price fluctuations and supply shortages. Additionally, our footwear uses raw materials sourced from a diverse base of third-party suppliers. This includes chemicals, petroleum-based components and natural materials like cotton and rubber that are also subject to price fluctuations and supply shortages.

Substantially all of our products are manufactured by unaffiliated manufacturers. In Fiscal 2024, our apparel and accessories products were manufactured by 36 primary contract manufacturers, operating in 20 countries, with approximately 63% of our apparel and accessories products manufactured in Jordan, Vietnam, Cambodia and Indonesia. Of our 36 primary contract manufacturers, ten produced approximately 68% of our apparel and accessories products. In Fiscal 2024, substantially all of our footwear products were manufactured by nine primary contract manufacturers, operating primarily in Vietnam, Indonesia and China.

All of our manufacturers across all product divisions are evaluated for quality systems, social compliance and financial strength by our internal teams before being selected and on an ongoing basis. Where appropriate, we strive to qualify multiple manufacturers for particular product types and fabrications. We also seek vendors that can perform multiple manufacturing stages, such as procuring raw materials and providing finished products, which helps us control our cost of goods sold. We enter into various agreements with our contract manufacturers, including non-disclosure and confidentiality agreements. We require that manufacturers adhere to our supplier code of conduct regarding manufacturing quality, working conditions and other social, labor and sustainability-related matters. However, we do not have any long-term agreements requiring us to utilize any particular manufacturer, and no manufacturer is required to produce our products for the long term. We have subsidiaries strategically located near our key partners to support our manufacturing, quality assurance and sourcing efforts.

Inventory Management

Inventory management is important to the financial condition and operating results of our business. We manage our inventory levels based on existing orders, anticipated sales and the rapid delivery requirements of our customers. Our inventory strategy is focused on meeting consumer demand while improving our inventory efficiency over the long term by putting systems and processes in place to improve our inventory management. These systems and processes, including our global operating and financial reporting information technology system, are designed to improve forecasting and supply planning capabilities. In addition, we strive to enhance our inventory performance by focusing on adding discipline around product purchasing, reducing production lead time and improving planning and execution for selling excess inventory through our Factory House stores and other liquidation channels.

Our practice, and the general practice in the apparel, footwear and accessory industry, is to offer retail customers the right to return defective or improperly shipped merchandise. From time to time, when introducing new products, which often requires large initial launch shipments, we commence production before receiving orders for those products.

Intellectual Property

We own the material trademarks used in connection with the marketing, distribution and sale of our products in the United States and in key international markets where our products are currently sold or manufactured. Our major trademarks include the UA Logo  and UNDER ARMOUR®, both of which are registered in the United States, Canada, Mexico, the United Kingdom, the European Union, Japan, China and numerous other countries. We also own trademark registrations for other trademarks including, among others, UA®, ARMOUR®, HEATGEAR®, COLDGEAR®, PROTECT THIS HOUSE®, I WILL®, and many trademarks that incorporate the term ARMOUR such as ARMOUR FLEECE® and ARMOUR BRA™. We also own registrations to protect our connected fitness branding such as MapMyFitness® and associated MapMy marks. We own domain names for our primary trademarks (most notably underarmour.com and ua.com) and hold copyright registrations for several commercials, as well as for certain artwork. We intend to continue to strategically register, both domestically and internationally, trademarks and copyrights we utilize today and those we develop in the future. We will continue to aggressively police our trademarks and pursue those who infringe, both domestically and internationally.

We believe the distinctive trademarks we use in connection with our products are important in building our brand image and distinguishing our products from those of others. These trademarks are among our most valuable assets. In addition to our distinctive trademarks, we also place significant value on our trade dress, which is the

overall image and appearance of our products, and we believe our trade dress helps to distinguish our products in the marketplace. We also have copyright protection covering various designs and other original works.

We apply for, own and maintain utility and design patents that protect certain technologies, materials, manufacturing processes, product features and industrial and aesthetic designs. These patents cover various footwear, apparel, accessories, equipment and digital applications. However, we traditionally have had limited patent protection on some of the technology, materials and processes used in the manufacture of our products. In addition, patents are important with respect to our innovative products and investments. As we continue to expand and drive innovation in our products, we seek patent protection on products, features and concepts we believe to be strategic and important to our business. We will continue to file patent applications where we deem appropriate to protect our new products, innovations and designs that align with our corporate strategy.

Competition

The market for performance apparel, footwear and accessories is highly competitive and includes many new competitors as well as increased competition from established companies expanding their production and marketing of performance products. Our most direct competitors include, among others, NIKE, adidas, PUMA and lululemon athletica, which are large apparel and footwear brands with strong worldwide brand recognition and in some cases, significantly greater resources than us. Within our international markets, in addition to global brands, we also compete with regional and country-specific brands that may have stronger local brand recognition. Many of the fabrics and technology used in manufacturing our products are not unique to us, and we own a limited number of fabric or process patents. We also compete with other manufacturers, including those specializing in performance apparel, footwear, accessories and private label offerings of certain retailers, including some of our wholesale customers.

In addition, we must compete with others for purchasing decisions and limited floor space at retailers. We believe we have been largely successful in this area because of the relationships we have developed and the sales performance of our products. However, if retailers experience higher demand for or earn higher margins from our competitors' products or their own private label offerings, they may favor the display and sale of those products.

We believe we compete successfully because of our brand image and recognition, the performance and quality of our products and our selective distribution policies. We also believe our focus on athletic performance product style and merchandising helps differentiate us from our competition. We compete for consumer preferences and expect to continue to do so in the future. We may face greater competition on pricing in the future, which may favor larger competitors with lower production costs per unit that can spread the effect of price discounts across a more extensive array of products and a larger base of customers and consumers. The purchasing decisions of consumers for our products often reflect highly subjective preferences that can be influenced by many factors, including advertising, media, product sponsorships, product improvements, preferences for inclusive products and brands and changing styles and trends.

Sustainability

At Under Armour, our mission is to make athletes better. Our sustainability strategy sets forth our long-term aspiration of finding new ways to drive performance through sustainable innovations that not only deliver a better product for athletes, but also a better world. Our sustainability strategy is centered around three interconnected pillars—products, home field and team. Within these pillars, our strategy focuses on enabling materials innovation to bring about a more circular system, leaving our planet and shared spaces bettered by our presence. Additionally, our strategy focuses on championing diversity, equity and inclusion and human rights within our company, with our suppliers and their workers and in communities across our entire supply chain.

We have always been focused on product innovation, and continue to challenge ourselves to improve our existing materials and to create new materials that meet our athletes' expectations. We are implementing circular design principles within our products' design and are working to reduce the environmental impact of our product development and manufacturing processes. We are exploring more ways to use digital technology to elevate the experience of our customers and consumers while also reducing the impact of our operations on the environment. Increasingly, we are working with our supply chain to embed sustainable practices and be mindful about the sustainability profiles of key raw materials.

During Fiscal 2024, we published our Fiscal 2023 Sustainability & Impact Report, which can be found on our website. Aligned with the Global Reporting Initiative Standards and the Sustainability Accounting Standards Board industry standards, our Fiscal 2023 Sustainability & Impact Report outlines our 23 goals and targets across the three pillars of our sustainability strategy (Products, Home Field, and Team) and describes our progress toward a more sustainable future.

Human Capital Management

Under Armour is led by its purpose—*We Empower Those Who Strive for More*—and our teammates, who bring their different backgrounds, experiences and perspectives, are central to driving our long-term success as an organization and brand. Consistent with our purpose, we believe that our brand is stronger when our collective team is fully engaged and working together to support our athletes around the world. We also believe that having an engaged, diverse and committed workforce not only enhances our culture, it drives our business success, ultimately helping us to deliver the most innovative products that make athletes better. Our human capital management strategy is therefore focused on creating an inclusive workplace where our teammates can thrive by attracting, developing and retaining talent through a competitive total rewards program, numerous development opportunities and a diverse, inclusive and engaging work environment.

As of March 31, 2024, we had approximately 15,000 teammates worldwide, including approximately 10,500 in our Brand and Factory House stores and approximately 1,200 at our distribution facilities. Approximately 6,800 of our teammates were full-time. Of our approximately 8,200 part-time teammates, approximately 7% were seasonal teammates. Our total number of teammates fluctuates throughout the year, with a significant increase in seasonal teammates during the third quarter of each fiscal year.

Diversity, Equity and Inclusion

Our commitment to diversity, equity and inclusion starts at the top with a highly skilled and diverse Board of Directors. Our Board of Directors has ongoing oversight of our human capital management strategies and programs and regularly reviews our progress towards achieving our diversity, equity and inclusion goals.

We publish our representation statistics annually on our corporate website. As of March 31, 2024:

- the race and ethnicity of our teammate population in the United States, including teammates in our Brand and Factory House stores and our distribution facilities, was 46% White, 25% Hispanic or Latino, 17% Black or African American, 7% Asian and 5% other;
- the race and ethnicity of our "director" level and above positions in the United States was 77% White, 8% Black or African American, 7% Asian, 4% Hispanic or Latino and 4% other; and
- 53% of our global teammates were women, and women represented 45% of our "director" level and above positions globally.

In addition to building a more diverse team, we believe fostering an inclusive and ethical culture is key to our values and who we are as an organization. We believe open lines of communication are critical to fostering this environment. This starts with "tone at the top" and we emphasize the importance of our Code of Conduct. We encourage our teammates to "speak-up" when they have concerns and provide multiple reporting mechanisms for them to do so. We require unconscious bias training for all of our corporate teammates and our retail and distribution facility leadership, including training focused on promoting diversity during our new-hire interview process. For our senior leadership, we require mandatory training on cultural competency and building inclusive environments. In addition to our broader professional development programs described more fully below, we also invest in programs specifically for our historically underrepresented and women teammates to improve retention and advancement. We currently have nine teammate-led Teammate Resource Groups, which amplify business initiatives, provide networking opportunities, support community outreach and promote cultural awareness. In addition, we have an internal diversity, equity and inclusion council, known as the Global T.E.A.M. (Teammate Equity and Accountability Movement) Council, which consists of "director" level and above corporate teammates and focuses on fostering a diverse and inclusive work environment across our organization.

Total Rewards

Our total rewards strategy is focused on providing market competitive and internally equitable total rewards packages that allow us to attract, engage and retain a talented, diverse and inclusive workforce. In determining our compensation practices, we focus on offering competitive pay that is based on market data with packages that appropriately reflect roles and geographic locations and are transparently communicated. We believe in "pay for performance" and seek to design plans and programs to support a culture of high performance where we reward what is accomplished and how. We are also committed to achieving pay equity within all teammate populations, and with the assistance of third-party experts, conduct an annual review of pay equity and market comparison data. When we identify opportunities, we take prompt actions to close any gaps.

Our total rewards programs, which are outlined on the careers page of our corporate website, are aimed at the varying health, financial and home-life needs of our teammates. In the United States, where approximately 65% of our workforce is located, in addition to market-competitive pay and broad-based bonuses, our full-time teammates are eligible for healthcare benefits; health savings accounts; flexible spending accounts; retirement

savings plan; paid time off; parental leave; caregiver leave; adoption assistance; child and adult care resources; flexible work schedules; short and long term disability; life and accident insurance; fitness benefits at on-site gyms or eligible fitness programs; commuter benefits; Under Armour merchandise discounts; and a Work-Life Assistance Program. We have implemented a hybrid working model where many of our global corporate teammates are designated as in-office for three days each week and remote for the remainder, allowing us to provide our teammates flexibility while still achieving our objectives. We believe in promoting alignment between our teammates and stockholders. As such, these teammates are also eligible to participate in our Employee Stock Purchase Plan, and corporate teammates within our "director" level and above positions receive restricted stock unit awards as a key component of their total compensation package. Outside of the United States, we provide similarly competitive benefit packages to those of our U.S. teammates but tailored to market-specific practices and needs.

We believe that giving back to the communities where we live and work is central to our culture. In addition to competitive time off benefits, our full-time teammates also receive 40 hours of additional paid time off each year for personal volunteer activities performed during working hours.

Talent Development and Engagement

Our purpose of empowering those who strive for more is embodied in our commitment to helping our teammates develop their skills, grow their careers and achieve their goals. We believe our investment in these areas enhances our teammate engagement, improves the efficiency and productivity of our work and ultimately drives better results for our business. We prioritize and invest in a wide range of training and development opportunities for teammates at all levels, including through both online and instructor-led internal and external programs. All of our teammates have access to an online learning platform and knowledge database, Armour U, which offers an extensive, regularly updated library of workshops, seminars and certification prep courses. We provide our corporate teammates one meeting-free day per year designated to focusing on professional development. We also offer resources to support individual development planning, including emphasizing development opportunities as part of teammates' annual goal setting process.

We invest in developing the leadership strength and capabilities of people-leaders at all levels. We leverage assessments, mentoring, executive coaching, and interactive training programs across a variety of leadership topics to improve leadership effectiveness and drive the performance of our team. Additionally, through our succession planning efforts, we further focus on talent development for key roles within our organization.

We believe these efforts keep our teammates engaged and motivated to do their best work. However, competition for employees in our industry is intense, and we regularly collect feedback to better understand and improve our teammate experience and identify opportunities to continually strengthen our culture. See "Risk Factors—Business and Operational Risks—*Our future success is substantially dependent on the continued service of our senior management and other key employees, and our continued ability to attract and retain highly talented new team members*" included in Item 1A of this Annual Report on Form 10-K.

Health and Safety

We prioritize the health, safety and overall well-being of our teammates. We have policies and trainings in place to ensure a safe workplace environment across our organization, such as our crisis management plan, which prepares us to respond to critical incidents, including those involving our teammates.

Information About Our Executive Officers

Name	Age	Position
Kevin Plank	51	President and Chief Executive Officer
David Bergman	51	Chief Financial Officer
Shawn Curran	60	Chief Supply Chain Officer
Jim Dausch	48	Chief Strategy and Consumer Experience Officer
Yassine Saidi	46	Chief Product Officer
Mehri Shadman	42	Chief Legal Officer and Corporate Secretary
Kara Trent	44	President of the Americas

Kevin Plank has been President and Chief Executive Officer since April 2024. He served as Executive Chair and Brand Chief from January 2020 through March 2024. Prior to that, he served as Chief Executive Officer and Chair of the Board of Directors from 1996, when he founded our Company, to 2019, and President from 1996 to July 2008 and August 2010 to July 2017. Mr. Plank also serves on the Board of Directors of the National Football

Foundation and College Hall of Fame, Inc., and is a member of the Board of Trustees of the University of Maryland College Park Foundation.

David Bergman has been Chief Financial Officer since November 2017. Mr. Bergman joined our Company in 2004 and has served in various Finance and Accounting leadership roles for the Company, including Corporate Controller from 2006 to October 2014, Vice President of Finance and Corporate Controller from November 2014 to January 2016, Senior Vice President, Corporate Finance from February 2016 to January 2017, and acting Chief Financial Officer from February 2017 to November 2017. Prior to joining the Company, Mr. Bergman worked as a CPA within the audit and assurance practices at Ernst & Young LLP and Arthur Andersen LLP.

Shawn Curran has served as Chief Supply Chain Officer since October 2023. Before joining Under Armour, he held several leadership roles across the Gap, Inc. portfolio of companies. He most recently served as EVP, Chief Operating Officer of Old Navy from July 2021 to June 2022. Prior to that he served as EVP, Chief Operating Officer of Gap, Inc. from March 2020 to June 2021; EVP, Global Supply Chain and Product/Store Operations from March 2019 to February 2020; and EVP, Global Supply Chain and Product Operations from October 2017 to February 2019.

Jim Dausch has served as Executive Vice President, Chief Strategy and Consumer Experience Officer since May 2024. Mr. Dausch joined Under Armour in July 2023 and served as Executive Vice President, Chief Consumer Officer from July 2023 to May 2024. Before joining Under Armour, Mr. Dausch served as the Chief Product and Digital Officer for Marriott International since 2020, where he led Marriott's direct digital channels and spearheaded the company's largest business transformation initiative. Prior to that role, he served as Senior Vice President, Global Technology where he played a leading role in the successful merger of Marriott and Starwood from 2016 to 2019. Prior to that, Mr. Dausch spent 18 years at Marriott in a variety of leadership positions in Finance, Sales & Marketing, Brand Management, Franchise Development and Operations. Earlier in his career, he held positions as a senior consultant at Ernst & Young.

Yassine Saidi has served as Chief Product Officer since January 2024. Before joining Under Armour, Mr. Saidi was the Founder and Business Strategist at AGENC-Y, a Sport, Lifestyle and Fashion product company, from September 2018 to January 2024. From June 2011 to June 2020, he held various leadership roles in SportStyle Footwear, Partnerships, Collaborations and Global Sales at PUMA. Prior to that, Mr. Saidi held various roles in performance Tennis Product and Marketing at adidas from May 2003 to June 2011.

Mehri Shadman has been Chief Legal Officer and Corporate Secretary since October 2022. Ms. Shadman joined Under Armour in 2013 and served as Assistant Corporate Secretary from January 2017 to October 2022. Most recently she held the role of Deputy General Counsel, Corporate and Risk, overseeing the corporate legal, global ethics and compliance, data privacy, and enterprise risk management functions, and served as Vice President within the legal department from March 2019 through October 2022. Prior to that, she served as Senior Director, Managing Counsel, Corporate Affairs from January 2017 to February 2019. Before joining Under Armour, Ms. Shadman began her career as an associate at a large international law firm, in its capital markets practice.

Kara Trent has served as President of the Americas since February 2024. Ms. Trent joined Under Armour in May 2015, serving in a variety of leadership roles. Most recently, she served as SVP, Managing Director, EMEA from November 2021 to January 2024. Prior to that, she served as Sr. Director of EMEA Merchandising and Planning from July 2019 to October 2021; Senior Director of North America Merchandising and Visual Merchandising from April 2018 to July 2019; and Director of Athletic Specialty Merchandising from May 2015 to March 2018. Before joining Under Armour, Ms. Trent served in various leadership roles in Footwear and Apparel Merchandising and Planning at PUMA North America from May 2007 to March 2015. She began her career at Reebok International from 2002 to 2007.

Available Information

We will make available free of charge on or through our website at <https://about.underarmour.com/> our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") as soon as reasonably practicable after we electronically file these materials with the Securities and Exchange Commission. We also post on this website our key corporate governance documents, including our board committee charters, our corporate governance guidelines and our code of conduct and ethics.

ITEM 1A. RISK FACTORS

Our results of operations and financial condition could be adversely affected by numerous risks. You should carefully consider the risk factors detailed below in conjunction with the other information contained in this Annual Report on Form 10-K. Should any of these risks actually materialize, our business, financial condition, results of operations and future prospects could be negatively impacted.

Economic and Industry Risks

Our business depends on consumer purchases of discretionary items, which can be negatively impacted during an economic downturn or periods of inflation. This could materially impact our sales, profitability, results of operations and financial condition.

Many of our products may be considered discretionary items for consumers. Many factors impact discretionary spending, including general economic conditions, unemployment, the availability of consumer credit, inflationary pressures and consumer confidence in future economic conditions. Global and U.S. economic conditions and trends in consumer discretionary spending continue to be uncertain, particularly in light of the potential impacts of inflation volatility in the U.S. and global markets and recession fears. Consumer purchases of discretionary items tend to decline during recessionary periods when disposable income is lower or during other periods of economic instability or uncertainty, which may lead to declines in sales and slow our long-term growth expectations. Any near or long-term economic disruptions in markets where we sell our products, particularly in the United States or other key markets, may materially harm our sales, profitability and financial condition and our prospects for growth.

We operate in highly competitive markets and the size and resources of some of our competitors may allow them to compete more effectively than we can, resulting in a loss of our market share and a decrease in our net revenues and gross profit.

The market for performance apparel, footwear and accessories is highly competitive and includes many new competitors, as well as increased competition from established companies expanding their production and marketing of performance products. Many of our competitors are large apparel and footwear companies with strong worldwide brand recognition. Within our international markets, we also compete with local brands that may have strong brand recognition amongst consumers within particular regions. Due to the fragmented nature of the industry, we also compete with other manufacturers, including those specializing in products similar to ours and private label offerings of certain retailers, including some of our wholesale customers. Failure to acknowledge or react appropriately to the entry or growth of a viable competitor or disruptive force could affect our ability to differentiate and grow our brand.

Many of our competitors have significant competitive advantages, including greater financial, distribution, marketing, digital and other resources; longer operating histories; better brand recognition among consumers; more experience in global markets; greater ability to invest in technology and adapt to changes, including the use of data analytics, artificial intelligence, machine learning and the digital consumer experience; greater ability to source sustainable and traceable raw materials at cost-effective prices and invest in innovations around sustainability; and greater economies of scale. In addition, some of our competitors have long-term relationships with our key retail customers that are potentially more important to those customers because of the significantly larger volume and product mix that our competitors sell to them. As a result, these competitors may be better equipped than we are to influence consumer preferences or otherwise increase their market share by quickly adapting to changes in customer requirements or consumer preferences, discounting excess inventory that has been written down or written off, devoting resources to the marketing and sale of their products, including significant advertising, media placement, partnerships and product endorsement, adopting aggressive pricing policies and engaging in lengthy and costly intellectual property and other disputes.

In addition, while one of our growth strategies has been to increase floor space for our products in retail stores and in certain markets expand our distribution to other retailers, retailers have limited resources, floor space, and, in some cases, their own private label products, and we must compete with others to develop relationships with them. Increased competition could result in reductions in floor space in retail locations or reductions in sales or reductions in the prices of our products, and if retailers have better sell through or earn greater margins from our competitors' products or from their own private label products, they may favor the display and sale of those products. Our inability to compete successfully against our competitors and maintain our gross margin could have a negative effect on our brand image and a material adverse effect on our business, financial condition and results of operations.

Our profitability may decline or our growth may be negatively impacted as a result of increasing pressure on pricing.

Our industry is subject to significant pricing pressure caused by many factors, including intense competition, consolidation in the retail industry, pressure from retailers to reduce the costs of products, the amount of excess inventory in the marketplace and changes in consumer demand. These factors may cause us to reduce our prices to retailers and consumers or engage in more promotional activity than we anticipate, which could negatively impact our margins and cause our profitability to decline if we are unable to offset price reductions with comparable reductions in our operating costs. Ongoing and sustained promotional activities could negatively impact our brand image. On the other hand, if we are unwilling to engage in promotional activity on a scale similar to that of our competitors, for instance, to protect our premium brand positioning, and unable to simultaneously offset declining promotional activity with increased sales at premium price points, our ability to achieve short-term growth targets may be negatively impacted, which could have a material adverse effect on our results of operations, financial condition and the price of our stock.

Fluctuations in the cost of raw materials and commodities we use in our products and costs related to our supply chain could negatively affect our operating results.

The fabrics used by our suppliers and manufacturers are made of raw materials including petroleum-based products and cotton. Significant price fluctuations, including due to inflation, trade relations, sanctions, or other geopolitical or economic conditions, or shortages in petroleum or other raw materials can materially adversely affect our cost of goods sold. In addition, certain of our manufacturers are subject to government regulations related to wage rates, and therefore the labor costs to produce our products may fluctuate. The cost of transporting our products for distribution and sale is also subject to fluctuation due in large part to the price of oil. Because most of our products are manufactured abroad, our products must be transported by third parties over large geographical distances and an increase in the price of oil can significantly increase costs. Manufacturing delays or unexpected transportation delays have caused and may continue to cause us to rely more heavily on airfreight to achieve timely delivery to our customers. These factors have significantly increased our freight costs in the past, and may do so again in the future. Any of these fluctuations may increase our cost of products and have an adverse effect on our profit margins, results of operations and financial condition.

Our financial results and ability to grow our business may be negatively impacted by global events beyond our control.

We operate retail, distribution and warehousing facilities and offices around the world and substantially all of our manufacturers are located outside of the United States. We are subject to numerous risks and global events beyond our control which could negatively impact consumer spending or the operations of us or our customers or business partners, and therefore our results of operations, including: political or labor unrest; military conflict (such as the ongoing conflict between Russia and Ukraine, the ongoing war between Israel and Hamas and the conflict in the Red Sea region); terrorism; public health crises, disease epidemics or pandemics; natural disasters and extreme weather conditions, which may increase in frequency and severity due to climate change; economic instability resulting in the disruption of trade from foreign countries; the imposition of new laws, regulations and rules, including those relating to sustainability and climate change, data privacy, labor conditions, minimum wage, quality and safety standards and disease epidemics or other public health concerns; changes in diplomatic and trade relationships, trade policy or actions of foreign or U.S. governmental authorities impacting trade and foreign investment, particularly during periods of heightened tension between U.S. and foreign governments, including the imposition of new import limitations, duties, tariffs, anti-dumping penalties, trade restrictions or restrictions on the transfer of funds; inflation; and changes in local economic conditions in countries where our stores, customers, manufacturers and suppliers are located.

These risks could hamper our ability to sell products, negatively affect the ability of our manufacturers to produce or deliver our products or procure materials and increase our cost of doing business generally, any of which could have an adverse effect on our results of operations, profitability, cash flows and financial condition. In the event that one or more of these factors make it undesirable or impractical for us to conduct business in a particular country, our business could be adversely affected.

Global or regional public health emergencies, such as the COVID-19 pandemic, have caused and may in the future cause significant disruption in our industry, which has had and may in the future have a material or adverse impact on our business, financial condition and results of operations.

The COVID-19 pandemic negatively affected the U.S. and global economies, disrupted global supply chains, financial markets and consumer spending, and led to significant travel and business restrictions, including mandatory closures, orders to "shelter-in-place" and restrictions on how businesses operate. The COVID-19 pandemic and related government, private sector and individual consumer responsive actions had an adverse impact on our business and results of operations, as well as the businesses and results of operations of our business partners, including our customers, suppliers and vendors. For example, the COVID-19 pandemic reduced consumer traffic; negatively impacted the operation of our and our wholesale customers' retail stores; caused global logistical challenges, including increased freight costs, shipping container shortages, transportation delays, labor shortages and port congestion; negatively impacted our cash generated from operations during certain periods; and led to significant volatility in the capital markets, which adversely impacted our stock price.

Future public health emergencies, including outbreaks of epidemics, pandemics or contagious diseases, in jurisdictions where we or our business partners operate pose a risk to our business and results of operations, including our ability to execute our near-term and long-term business strategies in the expected time frame. The extent of the impact of any future public health emergency on our business will depend on several uncertain and unpredictable factors, including the duration, spread and severity of such public health emergency.

Business and Operational Risks

We derive a substantial portion of our sales from large wholesale customers. If the financial condition of our customers declines, our financial condition and results of operations could be adversely impacted.

In Fiscal 2024, sales through our wholesale channel represented approximately 57% of our net revenues. We extend credit to our wholesale customers based on an assessment of a customer's financial condition, generally without requiring collateral or getting customer insurance against non-collection. We face increased risk of order reduction or cancellation and around collectibility when dealing with financially ailing customers or customers struggling with economic uncertainty. In addition, during weak economic conditions, such as periods of high inflation, recessionary fears or reduced consumer traffic and purchasing, customers may be more cautious with orders or may slow investments necessary to maintain a high quality in-store experience for consumers, which may result in lower sales of our products. Furthermore, a slowing economy in our key markets or a decline in consumer purchases of sporting goods generally could have an adverse effect on the financial health of our company.

From time to time, certain of our customers have experienced financial difficulties and we have been unable to collect all or a portion of the amounts owed to us. To the extent one or more of our customers experience significant financial difficulty, bankruptcy, insolvency or cease operations, this could have a material adverse effect on our sales, our ability to collect on receivables and our financial condition and results of operations.

We may not successfully execute our long-term strategies, which may negatively impact our results of operations.

Our ability to realize our long-term growth objectives depends, in part, on our ability to successfully execute strategic initiatives in key areas including our wholesale, footwear, women's and direct-to-consumer businesses. With respect to our direct-to-consumer business, our growth depends on our ability to continue to successfully grow our digital offerings and experiences throughout the world, expand our global network of Brand and Factory House stores and continue to increase our product offerings and market share in footwear successfully. In addition, as we expand our global network of Brand and Factory House stores, if we are unable to operate our stores profitably, our financial results could be impacted, or we could be required to recognize impairment charges. Our long-term strategy also depends on our ability to successfully drive expansion of our gross margins, manage and leverage our cost structure and drive return on our investments. If we cannot effectively execute our long-term growth strategies while managing costs effectively, our business could be negatively impacted and we may not achieve our expected results of operations.

If we are unable to anticipate consumer preferences, successfully develop and introduce new, innovative and updated products or engage our consumers, or if consumer preferences shift away from performance products, our sales, net revenues and profitability may be negatively impacted.

Our success depends on our ability to identify and originate product trends and anticipate and react to changing consumer demands in a timely manner. All of our products are subject to changing consumer preferences that shift rapidly and cannot be predicted with certainty. In addition, consumers are increasingly focused on the environmental and social practices of brands, including the sustainability of the products sold. Our ability to adequately react to and address consumer preferences depends in part upon our continued ability to develop and introduce innovative, high-quality products and to optimize available consumer data. In addition, long lead times for certain of our products may make it hard for us to respond quickly to changes in consumer demands. Accordingly, our new products may not receive consumer acceptance. From time to time, we may also introduce limited run or specialized products that may increase our sales in the near term, but that may fail to maintain sustained consumer demand. If consumers are not convinced performance apparel, footwear and accessories are a better choice than, and worth the additional cost over, traditional alternatives, sales of performance products may not grow or may decline. We also must successfully design and market our performance products for use by consumers in casual occasions. If we are unable to effectively anticipate and respond to consumer preferences as a result of any of these factors, our brand image could be negatively impacted, and our sales, net revenues, profitability and long-term growth plans may be negatively impacted.

Consumer shopping and engagement preferences and shifts in distribution channels continue to evolve and if we fail to adapt accordingly our results of operations or future growth could be negatively impacted.

Consumer preferences regarding the shopping experience and how to engage with brands continue to rapidly evolve. We sell our products through a variety of channels, including through wholesale customers and distribution partners, as well as our own direct-to-consumer business consisting of our Brand and Factory House stores and e-commerce platforms. If we or our wholesale customers do not provide consumers with an attractive in-store experience, our brand image and results of operations could be negatively impacted. In addition, as part of our growth strategy, we are investing significantly in enhancing our online platform capabilities and establishing and growing consumer loyalty programs in certain regions. We are also investing in capabilities and tools to drive higher digital engagement with our consumers and create new digital experiences. If we do not successfully execute this strategy or continue to provide an engaging, reliable and user-friendly digital commerce platform or digital experiences that attract consumers, our brand image, and results of operations, as well as our opportunities for future growth, could be negatively impacted.

A decline in sales to, or the loss of, one or more of our key customers could result in a material loss of net revenues and negatively impact our prospects for growth.

We generate a significant portion of our wholesale revenues from sales to our largest customers. We currently do not enter into long-term sales contracts with our key customers, relying instead on our relationships with these customers and on our position in the marketplace. As a result, we face the risk that these key customers may not increase their business with us as we expect, or may significantly decrease their business with us or terminate their relationship with us. The failure to increase or maintain our sales to these customers as much as we anticipate has had and may continue to have a negative impact on our growth prospects and any decrease or loss of these key customers' business could result in a material decrease in our net revenues and net income or loss. In addition, our customers continue to experience ongoing industry consolidation, particularly in the sports specialty sector. As this consolidation continues, it increases the risk that if any one customer significantly reduces their purchases of our products, we may be unable to find sufficient alternative customers to continue to grow our net revenues, or our net revenues may decline materially. In addition, we may from time to time exit or scale down relationships with certain wholesale customers to further drive our premium brand position or for other reasons. This may negatively impact our net revenues if we are unable to replace those sales with additional sales to our other customers or direct sales to consumers.

The value of our brand and sales of our products could be diminished if we are associated with negative publicity.

Our business could be adversely impacted if negative publicity regarding our brand, our company or our business partners diminishes the appeal of our brand to consumers. For example, while we require our suppliers, manufacturers and licensees of our products to operate their businesses in compliance with applicable laws and regulations, as well as the social and other standards and policies we impose on them, including our supplier code

of conduct, we do not control the conduct of these third parties. A violation, or alleged violation of our policies, labor laws or other laws could interrupt or otherwise disrupt our sourcing or damage our brand image. Negative publicity regarding production methods, alleged practices or workplace or related conditions of any of our suppliers, manufacturers or licensees could adversely affect our reputation and sales and force us to locate alternative suppliers, manufacturers or licensees. The risk that our business partners may not act in accordance with our expectations may be exacerbated in markets where our direct sales, supply chain or logistics operations are not as widespread. In addition, we have sponsorship contracts with a variety of athletes, teams and leagues, and many athletes and teams use our products. From time to time, we also enter into collaborative arrangements with athletes, designers or other partners. We are also actively involved in a variety of litigation and other legal matters and may be subject to additional litigation, investigations, investigations, arbitration proceedings, audits, regulatory inquiries or other similar actions. Negative publicity regarding these partners or legal or regulatory matters could negatively impact our brand image and result in diminished loyalty to our brand, regardless of whether such claims are accurate. Furthermore, social media can potentially accelerate and increase the scope of negative publicity. This could diminish the value of our proprietary rights or harm our reputation or have a negative effect on our sales and results of operations.

We must successfully manage the increasingly complex operations of our global business, including continued expansion in certain markets where we have limited brand recognition, or our business and results of operations may be negatively impacted.

Part of our growth strategy depends on our continued expansion outside of North America, and we have limited brand recognition and operating experience in certain regions. We must continue to successfully manage the operational difficulties associated with expanding our business to meet increased consumer demand throughout the world. Addressing regulatory requirements and market practices in certain regions outside of North America is challenging, and we may face difficulties expanding into and successfully operating in those markets, including differences in regulatory environments, labor and market practices, and difficulties in keeping abreast of market, business and technical developments and consumers' tastes and preferences. We must also continually evaluate the need to expand critical functions in our business, including sales and marketing, product development, distribution and corporate services functions, our management information systems and other processes and technology. We may not manage these efforts cost-effectively or these efforts could increase the strain on our existing resources. If we experience difficulties in supporting the growth of our business, we could experience an erosion of our brand image or operational challenges leading to a decrease in net revenues and results from operations.

Our results of operations could be materially harmed if we are unable to accurately forecast demand for our products.

To ensure adequate inventory supply, we must forecast inventory needs and place orders with our manufacturers based on estimated future demand for particular products, and before firm orders are placed by our wholesale customers. In addition, a portion of our net revenues may be generated by at-once orders for immediate delivery to wholesale customers, particularly during the last two quarters of the calendar year, which historically has been our peak season. If we fail to accurately forecast customer demand we may experience excess inventory levels or a shortage of product to deliver to our wholesale customers or for our direct-to-consumer channel. Excess inventory may result in inventory write-downs or write-offs or sales at discounted prices or in less preferred distribution channels, negatively impacting gross margin. On the other hand, if we underestimate the demand for our products, our manufacturers may not be able to produce products to meet our customer requirements, resulting in delays in the shipment of our products and our ability to recognize revenue, lost sales, as well as damage to our reputation and wholesale and consumer relationships.

Factors that could affect our ability to accurately forecast demand for our products include: changing consumer demand for our products; product introductions by competitors; unanticipated changes in general market or economic conditions or other factors, which may result in cancellations of advance orders or a reduction or increase in the rate of reorders or at-once orders placed by retailers; the impact on consumer demand due to unseasonable weather conditions, which may become more frequent or severe as a result of climate change; and terrorism or acts of war, or the threat thereof, political or labor instability or unrest or public health concerns and disease epidemics.

The difficulty in forecasting demand also makes it difficult to estimate our future results of operations and financial condition from period to period. A failure to accurately predict the level of demand for our products could adversely impact our profitability or cause us not to achieve our expected financial results.

We rely on third-party suppliers and manufacturers to provide raw materials for and to produce our products, and we have limited control over these suppliers and manufacturers and may not be able to obtain quality products on a timely basis or in sufficient quantity.

Many of the materials used in our products are technically advanced products developed by third parties and may be available, in the short-term, from a very limited number of sources. Substantially all of our products are manufactured by unaffiliated manufacturers, and, in Fiscal 2024, ten manufacturers produced approximately 68% of our apparel and accessories products, and nine produced substantially all of our footwear products. We have no long-term contracts with our suppliers or manufacturing sources, and we compete with other companies for fabrics, raw materials and production capacity.

A number of factors may require us to seek alternative or additional suppliers, which we may not be able to do in a timely or cost-effective manner. We may experience a significant disruption in the supply of fabrics or raw materials from current sources or, in the event of a disruption, we may be unable to locate alternative materials suppliers of comparable quality at an acceptable price, or at all. Moreover, our suppliers may not be able to fill our orders in a timely manner depending on market conditions or increased demand for product.

We have historically provided supply chain finance support to certain of our supply chain partners. In the past, the financial markets supporting supply chain finance programs experienced disruption that resulted in a temporary disruption to our program and challenged the cash flow and liquidity of our partners. While we worked with our partners through the disruption and have re-established a supply chain finance program, there can be no guarantee that such disruption will not occur again. Additionally, if one or more of our suppliers were to experience significant financial difficulty, bankruptcy, insolvency or cease operations, or failed to comply with applicable labor or other laws, we may be required to seek alternative suppliers.

In addition, if we lose or need to replace an existing manufacturer or supplier as a result of adverse economic conditions or other reasons, additional supplies of fabrics or raw materials or additional manufacturing capacity may not be available when required on terms that are acceptable to us, or at all, or suppliers or manufacturers may not be able to allocate sufficient capacity to us in order to meet our requirements. Even if we are able to expand existing or find new manufacturing or fabric sources, we may encounter delays in production and added costs as a result of the time it takes to train our suppliers and manufacturers on our methods, products and quality control standards. Any delays, interruption or increased costs in the supply of fabric or manufacture of our products could have an adverse effect on our ability to meet retail customer and consumer demand for our products and result in lower net revenues and net income (or higher net loss) both in the short and long term.

We have occasionally received, and may in the future continue to receive, shipments of product that fail to conform to our quality control standards. If we are unable to obtain replacement products in a timely manner, we risk the loss of net revenues resulting from the inability to sell those products and related increased administrative and shipping costs. In addition, because we do not control our manufacturers, products that fail to meet our standards or other unauthorized products could end up in the marketplace without our knowledge, which could harm our brand and our reputation in the marketplace.

Labor or other disruptions at ports or our suppliers or manufacturers may adversely affect our business.

Our business depends on our ability to source and distribute products in a timely and cost effective manner. As a result, we rely on the free flow of goods through open and operational ports worldwide and on a consistent basis from our suppliers and manufacturers. Labor disputes and disruptions at various ports or at our suppliers or manufacturers could create significant risks for our business, particularly if these disputes result in work slowdowns, decreased operations, lockouts, strikes or other disruptions during our peak importing or manufacturing seasons. For example, the COVID-19 pandemic caused delays and disruptions at ports due to workforce decreases, shipping backlogs and capacity constraints, container shortages and other disruptions, which resulted in slower than planned deliveries of inventory and delayed sales to customers. Significant delays or disruption in receiving and distributing our products, has had, and may again have, an adverse effect on our business, including canceled orders by customers, unanticipated inventory accumulation or shortages, increased expense (including air freight) to deliver our products and reduced net revenues and net income or higher net loss.

If we fail to successfully manage or realize expected results from significant transactions or investments, or if we are required to recognize an impairment of our goodwill or other intangible assets, it may have an adverse effect on our results of operations and financial position.

From time to time, we may engage in acquisition opportunities we believe are complementary to our business and brand. Integrating acquired businesses can require significant efforts and resources, which could

divert management attention from more profitable business operations. From time to time we have also disposed of certain assets where we did not think our activities aligned to our operating model. If we fail to successfully integrate acquired businesses or effectively manage dispositions, we may not realize the financial benefits or other synergies we anticipated. In addition, in connection with our acquisitions, we may record goodwill or other intangible assets. We have recognized goodwill impairment charges in the past, and additional goodwill impairment charges could have an adverse effect on our results of operations and financial position. Additionally, from time to time, we may invest in business infrastructure, new businesses and expansion of existing businesses, such as the expansion of our network of Brand and Factory House stores and our distribution facilities, implementing our global operating and financial reporting information technology system, supporting our digital strategy (including our e-commerce platform and loyalty programs), or supporting our corporate infrastructure (including the development of our new global headquarters located in the Baltimore Peninsula, an area of Baltimore previously referred to as Port Covington). These investments require substantial cash investments and management attention, and infrastructure investments may also divert funds from other potential business opportunities. We believe cost effective investments are essential to business growth and profitability. The failure of any significant investment to provide the returns or synergies we expect could adversely affect our financial results.

Climate change and an increased regulatory and stakeholder focus on sustainability and social matters may have an adverse effect on our brand, sales of our products and our results of operations.

There are concerns that increased levels of greenhouse gases in the atmosphere have caused, and may continue to cause, increases in global temperatures, changes in weather patterns and an increase in the frequency and severity of natural disasters and extreme weather events. Climate change has the potential to impact our business in numerous ways. These concerns may impact consumer preferences and, if we fail to adapt accordingly, consumer demand for our product. The physical impacts of climate change, such as an increase in the frequency and severity of storms and flooding, may increase volatility in the supply chain, which could affect the availability, quality and cost of raw materials, and disruption to the production and distribution of our products. In addition, governmental authorities in various countries have enacted or proposed, and are likely to continue to propose, legislation and regulation regarding public reporting, business practices and marketing of goods related to sustainability and social matters, including reducing or mitigating the impacts of climate change. Various countries and regions are following different approaches to the regulation of these matters, which could increase the complexity of, and potential cost related to complying with, such regulations and lead to risks associated with non-compliance. Any of the foregoing may require us to make additional investments. Failure to monitor, adapt, build resilience and develop solutions against the physical and transitional impacts from climate change may negatively impact our brand and reputation, sales of our products and our results of operations.

Certain customers, consumers, investors and other stakeholders are increasingly focusing on the sustainability and human rights practices of companies, including those related to climate change and diversity, equity and inclusion. If our practices do not meet the expectations of various stakeholders, which can vary greatly and continue to evolve, our brand and reputation could be negatively impacted. We have published, and may continue to publish, a sustainability report and other information describing our practices, targets and commitments on a variety of sustainability and human rights matters, including relating to our actions to address climate change, environmental targets and compliance, social and labor policies and practices, human capital management matters and the materials and manufacturing of our products. It is possible that stakeholders may not be satisfied with such disclosures, practices, targets or commitments or the speed or success of their adoption. We may incur additional costs, face market and technological barriers, require additional resources or change investment decisions, which may require us to adjust or restate some or all of our targets and commitments. Any failure, or perceived failure, to meet our targets, commitments or stakeholder expectations or to comply with reporting regulations could harm our reputation, negatively impact our employee retention, the willingness of our suppliers to do business with us or investor interest in our securities, or have a negative effect on our sales and results of operations.

The costs and return on our investments for our sports marketing sponsorships may become more challenging and this could impact the value of our brand image.

A key element of our marketing strategy has been to create a link in the consumer market between our products and professional, collegiate and young athletes. We have developed licensing and sponsorship agreements with a variety of sports teams and athletes at the collegiate and professional level to be their official supplier of performance apparel and footwear. We have also developed licensing agreements to be an official supplier of footwear and/or performance apparel to a variety of professional sports leagues and clubs. However, as competition in the performance apparel and footwear industry has increased, the costs associated with athlete sponsorships and official supplier licensing agreements, including the costs of obtaining and retaining these

sponsorships and agreements, have varied and at times increased greatly. If we are unable to maintain our current association with professional athletes, teams and leagues, or to do so at a reasonable cost, we could lose the on-field authenticity associated with our products, and we may be required to modify and substantially increase our marketing investments.

If we encounter problems with our distribution system, our ability to deliver our products to the market could be adversely affected.

We rely on a limited number of distribution facilities for our product distribution. Our distribution facilities utilize computer controlled and automated equipment, which means the operations are complicated and may be subject to a number of risks related to security or computer viruses or malware, the proper operation of software and hardware, power interruptions or other system failures. In addition, because many of our products are distributed from a limited number of locations, our operations could also be interrupted by severe weather conditions, floods, fires or other natural disasters in these locations, as well as labor or other operational difficulties or interruptions, including public health crises or disease epidemics. We maintain business interruption insurance, but it may not adequately protect us from the adverse effects that could be caused by significant disruptions in our distribution facilities or from all types of events causing such disruptions. Significant disruptions could lead to loss of customers or an erosion of our brand image. In addition, our distribution capacity is dependent on the timely performance of services by third parties. This includes the shipping of product to and from our distribution facilities, as well as partnering with third-party distribution facilities in certain regions where we do not maintain our own facilities. From time to time, certain of our partners have experienced and may continue to experience disruptions to their operations, including cyber-related disruptions and disruptions related to public health crises. If we or our partners encounter such problems, our results of operations, as well as our ability to meet customer expectations, manage inventory, complete sales and achieve objectives for operating efficiencies could be materially adversely affected.

We rely significantly on information technology and any failure, inadequacy or interruption of that technology could harm our ability to effectively operate our business.

We rely on our own and our vendors' information technology throughout our business operations, including to design, forecast and order product, manage and maintain our inventory and internal reports, manage sales and distribution, operate our e-commerce website and mobile applications, process transactions, manage retail operations and other key business activities. We also communicate electronically throughout the world with our employees and with third parties, such as customers, suppliers, vendors and consumers. Our operations are dependent on the reliable performance of these systems and technologies and their underlying technical infrastructure, which incorporate complex software. Any of these information systems could fail or experience a service interruption for a number of reasons, including computer viruses, ransomware or other malware, programming errors, hacking or other unlawful activities, disasters or a failure to properly maintain system redundancy or protect, repair, maintain or upgrade the systems.

From time to time we have experienced, and may continue to experience, operational disruption due to attacks on our systems and those of our vendors. Although we maintain certain business continuity plans, there can be no assurance that our business continuity plans, or those of our vendors, will anticipate all material risks that may arise or will effectively resolve the issues in a timely manner or adequately protect us from the adverse effects that could be caused by significant disruptions in key information technology. The failure of these systems to operate effectively or to integrate with other systems, or a breach in security of these systems could cause delays in product fulfillment and reduced efficiency of our operations, lost sales, the exposure of sensitive business or personal information and damage to the reputation of our brand. Depending on the system and scope of disruption, in some instances a service interruption or shutdown could have a material adverse impact on our operating activities or results of operations. Remediation and repair of any failure, problem or breach of our key systems or known potential vulnerabilities could require significant capital investments, as well as divert resources and management attention from key projects or initiatives. While we have purchased cybersecurity insurance, there can be no assurance that the coverage would be adequate in relation to any incurred losses. Moreover, as cyber attacks increase in frequency and magnitude, we may be unable to obtain cybersecurity insurance in amounts and on terms we view as appropriate for our operations.

We also heavily rely on information systems to process financial and accounting information for financial reporting purposes. If we experience any significant disruption to our financial information systems that we are unable to mitigate, our ability to timely report our financial results could be impacted, which could negatively impact our stock price.

Our future success is substantially dependent on the continued service of our senior management and other key employees, and our continued ability to attract and retain highly talented new team members.

Our future success is substantially dependent on the continued service of our senior management, particularly Kevin Plank, our founder, President and Chief Executive Officer, other top executives and key employees who have substantial experience and expertise in our business, including product creation, innovation, sales, marketing, supply chain, informational technology, operational and other support personnel. The loss of the services of our senior management or other key employees could make it more difficult to successfully operate our business and achieve our business goals and could result in harm to key customer relationships, loss of key information, expertise or know-how and unanticipated recruitment and training costs. Changes in our senior management may also disrupt our business. In recent years, we have experienced significant change in our executive management team. The failure to successfully transition and assimilate new members of our senior management or other key employees could adversely affect our results of operations.

In addition, to profitably grow our business and manage our operations, we will need to continue to attract, retain and motivate highly talented management and other employees with a range of skills, backgrounds and experiences. Competition for experienced and well-qualified employees in our industry is intense and we may not be successful in attracting and retaining such personnel. Additionally, changes to our current and future office environments, adoption of new work models and requirements about when or how often employees work on-site or remotely may fail to meet the expectations of our employees and present new challenges. As certain jobs and employers increasingly operate remotely, traditional geographic competition for talent may change in ways that cannot be fully predicted at this time. If we are unable to attract, retain and motivate management and other employees with the necessary skills, we may not be able to grow or successfully operate our business and achieve our long-term objectives. In addition, we have invested significant time and resources in building, maintaining and evolving our company culture and our values, which we believe to be critical to our future success. Failure to maintain and continue to evolve our culture could negatively affect our ability to attract, retain and motivate talented management and employees and to achieve our long-term objectives.

We may not fully realize the expected benefits of our restructuring plans or other operating or cost-saving initiatives, which may negatively impact our profitability.

We have recently announced a restructuring plan designed to more closely align our financial resources against the critical priorities of our business and rebalance our cost base to further improve future profitability and cash flow generation. We have also implemented several changes to our operating model and continue to refine our operating model in response to business and market conditions. We may not achieve the operational improvements and efficiencies that we targeted in our restructuring plans and operating model changes, which could adversely impact our results of operations and financial condition. Implementing any restructuring plan or operating model change presents significant potential risks including, among others, higher than anticipated implementation costs, management distraction from ongoing business activities, failure to maintain adequate controls and procedures while executing our restructuring plans and operating model changes, damage to our reputation and brand image and workforce attrition beyond planned reductions. If we fail to achieve targeted operating improvements and/or cost reductions, our profitability and results of operations could be negatively impacted, which may be dilutive to our earnings in the short term.

Financial Risks

Our credit agreement contains financial covenants, and both our credit agreement and debt securities contain other restrictions on our actions, which could limit our operational flexibility or otherwise adversely affect our financial condition.

We have, from time to time, financed our liquidity needs in part from borrowings made under our credit facility and the issuance of debt securities. Our Senior Notes limit our ability to, subject to certain significant exceptions, incur secured debt and engage in sale leaseback transactions. Our amended credit agreement contains negative covenants that, subject to significant exceptions limit our ability, among other things to incur additional indebtedness, make restricted payments, sell or dispose of assets, pledge assets as security, make investments, loans, advances, guarantees and acquisitions, undergo fundamental changes and enter into transactions with affiliates. In addition, we must maintain a certain leverage ratio and interest coverage ratio as defined in the amended credit agreement. Our ability to continue to borrow amounts under our amended credit agreement is limited by continued compliance with these financial covenants, and in the past we have amended our credit agreement to provide certain relief from and revisions to our financial covenants for specified periods to provide us

with sufficient access to liquidity during those periods. Failure to comply with these operating or financial covenants could result from, among other things, changes in our results of operations or general economic conditions. These covenants may restrict our ability to engage in transactions that would otherwise be in our best interests. Failure to comply with any of the covenants under the amended credit agreement or our Senior Notes could result in a default, which could negatively impact our access to liquidity.

In addition, the amended credit agreement includes a cross default provision whereby an event of default under certain other debt obligations (including our debt securities) will be considered an event of default under the amended credit agreement. If an event of default occurs, the commitments of the lenders under the amended credit agreement may be terminated and the maturity of amounts owed may be accelerated. Our debt securities include a cross acceleration provision which provides that the acceleration of certain other debt obligations (including our credit agreement) will be considered an event of default under our debt securities and, subject to certain time and notice periods, give bondholders the right to accelerate our debt securities.

We may need to raise additional capital to manage and grow our business, and we may not be able to raise capital on terms acceptable to us or at all.

Managing and growing our business will require significant cash outlays and capital expenditures and commitments. We have utilized cash on hand and cash generated from operations, accessed our credit facility and issued debt securities as sources of liquidity. As of March 31, 2024, our cash and cash equivalents totaled \$859 million. However, if in future periods our cash on hand, cash generated from operations and availability under our credit agreement are not sufficient to meet our cash requirements, we will need to seek additional capital, potentially through debt or equity financing, to fund our operations and future growth, and we may be unable to obtain debt or equity financing on favorable terms or at all. Our ability to access the credit and capital markets in the future as a source of liquidity, and the borrowing costs associated with such financing, are dependent upon market conditions and our credit rating and outlook. Our credit ratings have been downgraded in the past, and we cannot assure that we will be able to maintain our current ratings, which could increase our cost of borrowing in the future. In addition, equity financing may be on terms that are dilutive or potentially dilutive to our stockholders, and the prices at which new investors would be willing to purchase our securities may be lower than the current price per share of our common stock. The holders of new securities may also have rights, preferences or privileges which are senior to those of existing holders of common stock. If new sources of financing are required, but are insufficient or unavailable, we will be required to modify our growth and operating plans based on available funding, if any, which would harm our ability to grow our business.

Our operating results are subject to seasonal and quarterly variations in our net revenues and income from operations, which could adversely affect the price of our publicly traded common stock.

We have experienced, and expect to continue to experience, seasonal and quarterly variations in our net revenues and income or loss from operations. The majority of our net revenues are historically generated during the last two quarters of the calendar year. Our quarterly results of operations may also fluctuate significantly as a result of a variety of other factors, including the timing of our customer orders, our ability to timely delivery, the timing of marketing expenses and changes in our product mix. As a result of these seasonal and quarterly fluctuations, we believe that comparisons of our operating results between different quarters within a single year are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance. Any seasonal or quarterly fluctuations that we report in the future may not match the expectations of market analysts and investors. This could cause the price of our publicly traded stock to fluctuate significantly.

Our results of operations are affected by the performance of our equity investments, over which we do not exercise control.

We maintain certain minority investments, and may in the future invest in additional minority investments, which we account for under the equity method, and are required to recognize our allocable share of its net income or loss in our Consolidated Financial Statements. Our results of operations are affected by the performance of these businesses, over which we do not exercise control, and our net income or loss may be negatively impacted by losses realized by these investments. For example, we have previously recognized losses related to our Japanese licensee's business. We are also required to regularly review our investments for impairment, and an impairment charge may result from the occurrence of adverse events or management decisions that impact the fair value or estimated future cash flows to be generated from our investments. Furthermore, based on its financial performance, our ability to recover our investment in the long term may be limited.

Our financial results could be adversely impacted by currency exchange rate fluctuations.

During Fiscal 2024, we generated approximately 44% of our consolidated net revenues outside the United States. As our international business grows, our results of operations could be adversely impacted by changes in foreign currency exchange rates. Revenues and certain expenses in markets outside of the United States are recognized in local foreign currencies, and we are exposed to potential gains or losses from the translation of those amounts into U.S. dollars for consolidation into our financial statements. These amounts can be material. Similarly, we are exposed to gains and losses resulting from currency exchange rate fluctuations on transactions generated by our foreign subsidiaries in currencies other than their functional currencies. In addition, the business of our independent manufacturers may also be disrupted by currency exchange rate fluctuations by making their purchases of raw materials more expensive and more difficult to finance. From time to time, our results of operations have been, and may in the future be, adversely impacted by foreign currency exchange rate fluctuations. In addition, we have previously designated cash flow hedges against certain forecasted transactions. If we determine that such a transaction is no longer probable to occur in the time period we expected, we are required to de-designate the hedging relationship and immediately recognize the derivative instrument gain or loss in our earnings. From time to time, global macroeconomic factors, such as the COVID-19 pandemic, have caused and may in the future to cause uncertainty in forecasted cash flows, which has resulted and may in the future result in the de-designation of certain hedged transactions.

Legal, Regulatory and Compliance Risks

Our business is subject to a wide array of laws and regulations, and our failure to comply with these requirements could lead to investigations or actions by government regulators, increased expense or reputational damage.

Our business is subject to a wide array of laws and regulations, including those addressing consumer protection, safety, labeling, distribution, importation, sustainability and environmental matters, labor and human rights matters, the marketing and sale of our products, data privacy and other matters. These requirements are enforced by various federal agencies, including the Federal Trade Commission, Consumer Product Safety Commission, Customs and Border Protection and state attorneys general in the United States, as well as by various other federal, state, provincial, local and international regulatory authorities in the locations in which our products are distributed or sold. If we or any of our suppliers fail to comply with these regulations, we could become subject to significant penalties or claims or be required to stop importing, selling or otherwise recall products, which could negatively impact our results of operations and disrupt our ability to conduct our business, as well as damage our brand image with consumers. In addition, the adoption of new legislation, regulations, industry standards and reporting obligations, including related to data privacy, sustainability and climate change, or changes in the interpretation of existing regulations may result in significant unanticipated compliance costs or discontinuation of product sales and may impair the marketing of our products, resulting in significant loss of net revenues.

Our international operations are also subject to compliance with the U.S. Foreign Corrupt Practices Act, or FCPA, and U.S. sanctions laws, as well as other anti-bribery and sanctions laws of foreign jurisdictions where we conduct business. Although we have policies and procedures to address compliance with the FCPA and similar laws and sanctions requirements, there can be no assurance that all of our employees, contractors, agents and other partners will not take actions in violations of our policies or that our procedures will effectively mitigate against such risks. Any such violation could subject us to sanctions or other penalties that could negatively affect our reputation, business and operating results.

We must also comply with increasingly complex and evolving regulatory standards throughout the world enacted to protect personal information and other data, including the General Data Protection Regulation, the ePrivacy Directive, the California Consumer Privacy Act of 2018, the California Privacy Rights Act, state privacy laws in Colorado, Connecticut, Florida, Montana, Oregon, Texas, Utah and Virginia and the Personal Information Protection Law in China. These laws and related regulations impact our ability to engage with our consumers, and some of these privacy laws prohibit the transfer of personal information to certain other jurisdictions. Compliance with existing laws and regulations can be costly and could negatively impact our profitability. Moreover, data privacy laws and regulations continue to evolve and it may be costly for us to adjust our operations to comply with new requirements. Regulatory bodies throughout the world have increased enforcement efforts against companies who fail to comply with privacy requirements. Failure to comply with these regulatory standards could result in a violation of data privacy laws and regulations and subject us to legal proceedings against us by governmental entities or others, imposition of fines by governmental authorities, negative publicity and damage to our brand image, all of which could have a negative impact on our profitability.

Data security or privacy breaches could damage our reputation, cause us to incur additional expense, expose us to litigation and adversely affect our business and results of operations.

We collect proprietary business information and personally identifiable information in connection with digital marketing, digital commerce, our in-store payment processing systems and our digital business (including our MapMyFitness platform). We collect and store a variety of information regarding our consumers, and on some of our platforms allow users to share their personal information with each other and with third parties. We also rely on third parties for the operation of certain of our e-commerce websites, and do not control these service providers. Like other companies in our industry, we have in the past experienced, and we expect to continue to experience, cyberattacks, including phishing, cyber fraud incidents and other attempts to gain unauthorized access to our systems. These attempted attacks have become more frequent and our implementation of a hybrid work model for many of our global corporate employees may increase our exposure to such attacks. There can be no assurance that these attacks will not have a material impact in the future. Any breach of our data security or that of our service providers could result in an unauthorized release or transfer of customer, consumer, vendor or employee information, or the loss of money, valuable business data or cause a disruption in our business. These events could give rise to unwanted media attention, damage our reputation, damage our customer, consumer or user relationships and result in lost sales, fines or lawsuits. We may also be required to expend significant capital and other resources to protect against or respond to or alleviate problems caused by a security breach, which could negatively impact our results of operations.

Changes in tax laws and unanticipated tax liabilities could adversely affect our effective income tax rate and profitability.

We are subject to income taxes in the United States and numerous foreign jurisdictions. Our effective income tax rate could be adversely affected in the future by a number of factors, including changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws and regulations or their interpretations and application, the outcome of income tax audits in various jurisdictions around the world, and any repatriation of non-U.S. earnings for which we have not previously provided applicable foreign withholding taxes, certain U.S. state income taxes, or foreign exchange rate impacts.

Moreover, we also engage in multiple types of intercompany transactions, and our allocation of profits and losses among us and our subsidiaries through our intercompany transfer pricing arrangements are subject to review by the Internal Revenue Service and foreign tax authorities. Although we believe we have clearly reflected the economics of these transactions in accordance with current rules and regulations, which are generally consistent with the arms-length standard, and the proper documentation is in place, tax authorities may propose and sustain adjustments that could result in changes that may materially impact our tax provision.

Additionally, many countries have implemented legislation and other guidance to align their international tax rules with the Organization for Economic Co-operation and Development's ("OECD") Base Erosion and Profit Shifting ("BEPS") recommendations and action plan, which aim to standardize and modernize global corporate tax policy and include changes to cross-border tax, transfer pricing documentation rules and nexus-based tax incentive practices. As a result of this heightened scrutiny, we may experience an increase in income tax audits. In addition, prior decisions by tax authorities regarding treatments and positions of corporate income taxes could be subject to enforcement activities and/or legislative investigation, which could also result in changes in tax policies or prior tax rulings. Any such activities may result in the taxes we previously paid being subject to change, which could have a material adverse impact on our tax provision.

The OECD has issued rules intended to provide governments new taxing rights over the digital economy and specific digital services ("Pillar One"), as well as the implementation of a global minimum tax ("Pillar Two"). Many countries in which we have operations are required to, or voluntarily plan to, implement Pillar Two taxes. Many jurisdictions have adopted or announced an intention to adopt Pillar Two for tax years beginning on or after January 1, 2024. The enactment of Pillar One and Pillar Two taxes in jurisdictions where we have operations could have a material adverse impact on our global transfer pricing arrangements, tax provision, cash tax liability, effective tax rate, cash flows and profitability.

Failure to protect our intellectual property rights, or our conflict with the rights of others, could damage our brand, weaken our competitive position and negatively impact our results of operations.

Our success depends in large part on our brand image. We currently rely on a combination of copyright, trademark, trade dress, patent, anti-counterfeiting and unfair competition laws, confidentiality procedures and licensing arrangements to establish and protect our intellectual property rights. Despite our strategic enforcement

efforts, we may not be able to adequately prevent infringement of our trademarks and proprietary rights by others, including imitation of our products and misappropriation of our brand, and intellectual property protection may be unavailable or limited in some jurisdictions. In addition, intellectual property rights in the technology, fabrics and processes used to manufacture the majority of our products are generally owned or controlled by our suppliers and are generally not unique to us, and our current and future competitors are able to manufacture and sell products with performance characteristics and fabrications similar to certain of our products.

From time to time, we have brought claims relating to the enforcement of our intellectual property rights against others or have discovered unauthorized products in the marketplace that are either counterfeit reproductions of our products or unauthorized irregulars that do not meet our quality control standards. If we fail to protect, maintain and enforce our intellectual property rights, the value of our brand could decrease and our competitive position may suffer. In addition, from time to time others may seek to enforce infringement claims against us. Successful infringement claims against us could result in significant monetary liability or prevent us from selling or providing some of our products. The resolution of such claims may require us to pull product from the market, redesign our products, license rights belonging to third parties or cease using those rights altogether. Any of these events could harm our business and have a material adverse effect on our results of operations and financial condition.

We are the subject of a number of ongoing legal proceedings that have resulted in significant expense, and adverse developments in our ongoing proceedings and/or future legal proceedings could have a material adverse effect on our business, reputation, financial condition, results of operations or stock price.

We are actively involved in a variety of litigation and other legal matters and may be subject to additional litigations, investigations, arbitration proceedings, audits, regulatory inquiries and similar actions, including matters related to commercial disputes, intellectual property, employment, securities laws, disclosures, environmental, tax, accounting, insurance coverage, class action and product liability, as well as trade, regulatory and other claims related to our business and our industry, which we refer to collectively as legal proceedings. For example, we are subject to an ongoing securities class action proceeding regarding our prior disclosures (including regarding the use of "pull forward" sales) and derivative complaints regarding related matters, as well as past related party transactions, among other legal proceedings. Refer to Note 10 to our Consolidated Financial Statements, included in Part II, Item 8 of this Annual Report on Form 10-K, for additional information regarding these specific matters.

Legal proceedings in general, and securities and class action litigation and regulatory investigations in particular, can be expensive and disruptive. We cannot predict the outcome of any particular legal proceeding, or whether ongoing legal proceedings will be resolved favorably or ultimately result in charges or material damages, fines or other penalties. Our insurance may not cover all claims that may be asserted against us, and we are unable to predict how long the legal proceedings to which we are currently subject will continue. An unfavorable outcome of any legal proceeding may have a material adverse impact on our business, financial condition and results of operations or our stock price. Any legal proceeding could negatively impact our reputation among our customers or our shareholders. Furthermore, publicity surrounding ongoing legal proceedings, even if resolved favorably for us, could result in additional legal proceedings against us, as well as damage our brand image.

We have identified material weaknesses in our internal control over financial reporting as of March 31, 2024. Failure to remediate these material weaknesses, or any other material weaknesses that we may identify in the future, could result in material misstatements in our consolidated financial statements, a failure to meet our periodic reporting obligations and a decline in our stock price.

Pursuant to the rules and regulations of the SEC regarding compliance with Section 404 of the Sarbanes-Oxley Act of 2002, we are required to report on, and our independent registered public accounting firm is required to attest to, the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to determine the adequacy of our internal control over financial reporting are complex and require significant documentation, testing and possible remediation if a deficiency is identified. Annually, we perform activities that include reviewing, documenting and testing our internal control over financial reporting.

We also performed our assessment of the effectiveness of internal control over financial reporting and identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. These material weaknesses resulted from a failure to design and maintain effective controls over certain aspects of the period-end financial reporting process, including the review and execution of certain balance sheet account reconciliations, and we did not design and maintain effective controls over the classification and

presentation of general ledger accounts in the appropriate financial statement line items within the consolidated financial statements. For further discussion of the material weaknesses, see Part II, Item 9A, “Controls and Procedures.” As a consequence of these material weaknesses, we have also determined that our disclosure controls and procedures were ineffective. We are actively engaged in the planning for, and implementation of, remediation efforts to address the material weaknesses. However, we may not be successful in promptly doing so. In the future, we may identify additional material weaknesses, which could again cause us to conclude that our internal control over financial reporting and disclosure controls and procedures are ineffective.

Any failure to achieve and maintain an effective internal control over financial reporting could result in material misstatements in our interim or annual consolidated financial statements, failure to meet our reporting obligations, significant expenses to remediate any deficiencies, a decline in investor confidence in our reported financial information and a decline in our stock price.

Risks Related to our Common Stock

Kevin Plank, our founder and President and Chief Executive Officer, controls the majority of the voting power of our common stock.

Our Class A common stock has one vote per share, our Class B common stock has 10 votes per share and our Class C common stock has no voting rights (except in limited circumstances). Our founder and President and Chief Executive Officer, Kevin Plank, beneficially owns all outstanding shares of Class B common stock. As a result, Mr. Plank has the majority voting control and is able to direct the election of all of the members of our Board of Directors and other matters we submit to a vote of our stockholders. Under certain circumstances, the Class B common stock automatically converts to Class A common stock, which would also result in the conversion of our Class C common stock into Class A common stock. As specified in our charter, these circumstances include when Mr. Plank beneficially owns less than 15.0% of the total number of shares of Class A and Class B common stock outstanding, if Mr. Plank were to resign as an Approved Executive Officer of the Company (or was otherwise terminated for cause) or if Mr. Plank sells more than a specified number of any class of our common stock within a one-year period. This concentration of voting control may have various effects including, but not limited to, delaying or preventing a change of control or allowing us to take action that the majority of our stockholders do not otherwise support. In addition, we utilize shares of our Class C common stock to fund employee equity incentive programs and may do so in connection with future stock-based acquisition transactions, which could prolong the duration of Mr. Plank’s voting control.

The trading prices for our Class A and Class C common stock may differ and fluctuate from time to time.

The trading prices of our Class A and Class C common stock may differ and fluctuate from time to time in response to various factors, some of which are beyond our control. These factors may include, among others, overall performance of the equity markets and the economy as a whole, variations in our quarterly results of operations or those of our competitors, our ability to meet our published guidance and securities analyst expectations, or recommendations by securities analysts. In addition, our non-voting Class C common stock has traded at a discount to our Class A common stock, and there can be no assurance that this will not continue.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We recognize the importance of protecting consumer and employee data and maintaining the safety and security of our information systems. We identify, assess and manage material risks on an enterprise basis through our global enterprise risk management (“ERM”) program. We maintain a cybersecurity program designed to detect, identify, classify and mitigate cybersecurity and other data security threats, which is aligned to and informed by our ERM program. Our cybersecurity program takes into consideration, among other things, compliance requirements, risks to our revenue channels, risks posed by third-party engagements, consumer and employee data security and

global enterprise security. We engage independent third parties to conduct regular penetration testing and targeted security audits of our information systems. In addition, we engage a third-party vendor to conduct 24/7 monitoring of cybersecurity alerts. In the event we identify or are notified of a potential cybersecurity, privacy or other data security incident, we have a data incident response plan that defines procedures for responding to such incidents, including when and how to engage with our executive leadership team, our Board of Directors, other stakeholders and law enforcement, as applicable. We also maintain cyber liability insurance to help defray any financial losses arising out of a cyber security incident; our insurance, however, may not cover all types of cybersecurity incidents or all losses that we incur.

We have adopted, and periodically review and update, information security and privacy notices, policies and procedures. We maintain annual cybersecurity and data privacy training for all employees with access to our corporate systems. In addition, as part of our Payment Card Industry Data Security Standard compliance, we maintain annual role-based training on protecting payment card information for all relevant employees. We conduct proactive incident preparedness activities focused on cybersecurity risks and business continuity, such as annual table-top exercises with our senior management, as well as periodic phishing simulations to test our employees' responses to suspicious emails.

We utilize third-party service providers as a part of our day-to-day business operations. Certain of the networks and systems used to conduct our operations are managed by such third-party service providers and are not under our direct control. To address cybersecurity risk to our operations arising from our relationships with third-party service providers, we maintain a third-party risk management program, which includes cybersecurity and data privacy assessments during vendor onboarding to identify and classify risk based on several factors, including the type of data handled by the third-party service provider and the potential impact to our business if there were a significant disruption to the third-party service or system.

Governance

Our Board has delegated primary responsibility to oversee the management of risks related to information technology use and protection, including cybersecurity and data privacy, to the Audit Committee, while retaining oversight of management's overall approach to risk management. The Audit Committee receives regular reports regarding our cybersecurity risks through two annual briefings by senior management, including our Chief Information Security Officer ("CISO") and head of data privacy, and additional periodic updates as appropriate. In addition, members of our management team conduct an enterprise-wide internal risk assessment through our ERM program that is updated annually and reviewed and discussed by the Audit Committee. This risk assessment is designed to identify our most material risks, including cybersecurity risks, for evaluation and monitoring. At each Board meeting, the chairperson of the Audit Committee and the Corporate Secretary report on the Audit Committee's activities, including risk management, which provides an opportunity to discuss significant cybersecurity risks with the full Board.

Our CISO leads our global cybersecurity team and is responsible for our cybersecurity program. Our current CISO has served in various roles in information technology and information security for over twenty years, including at our Company since 2013. He holds an MBA and a Certified Information Systems Security Professional certification. Our CISO reports to our Chief Technology Officer, who reports to our Chief Executive Officer.

Impact of Cybersecurity Risks on Strategy and Results

As of the date of this Annual Report on Form 10-K, we have not identified any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect our business, including our business strategy, results of operations or financial condition. However, we and our third-party service providers continue to experience cyberattacks, including phishing, ransomware and other attempts to gain unauthorized access to our and their systems, that could materially affect us in the future. For additional information regarding the threats we face, see "Risk Factors—Business and Operational Risks—If we encounter problems with our distribution system, our ability to deliver our products to the market could be adversely affected"; "*—We rely significantly on information technology and any failure, inadequacy or interruption of that technology could harm our ability to effectively operate our business*"; and "*—Legal, Regulatory and Compliance Risks—Data security or privacy breaches could damage our reputation, cause us to incur additional expense, expose us to litigation and adversely affect our business and results of operations*" included in Part I, Item 1A of this Annual Report on Form 10-K.

ITEM 2. PROPERTIES

The following includes a summary of the principal properties that we own or lease as of March 31, 2024.

Company Operated

Our principal executive and administrative offices are located at an office complex in Baltimore, Maryland, the majority of which we own and a portion of which we lease. We also own office space and undeveloped acreage in the Baltimore Peninsula, an area of Baltimore, Maryland previously referred to as Port Covington, which we are in the process of renovating and further developing. We expect to move our principal executive and administrative offices to this location by late 2024. For each of our EMEA, Latin America and Asia-Pacific headquarters, we lease office space.

We lease our primary distribution facilities, which are located in Sparrows Point, Maryland, Mount Juliet, Tennessee and Rialto, California. Combined, these facilities represent approximately 3.5 million square feet of facility space. These leases expire at various dates, with the earliest lease termination date occurring in December 2027. We believe our distribution facilities and space available through our third-party logistics providers, described below, will be adequate to meet our short term needs.

As of March 31, 2024, we leased 440 Brand and Factory House retail stores located primarily in the United States, China, Canada, Mexico, Korea, Australia, the United Kingdom and Malaysia with lease termination dates occurring in 2024 through 2038. We also lease additional office space for sales, quality assurance and sourcing, marketing and administrative functions. We anticipate that we will be able to extend these leases that expire in the near future on satisfactory terms or relocate to other locations.

Third-Party Operated

We have distribution centers which are leased and operated by third-party logistics providers in Canada, the United Kingdom, Netherlands, Hong Kong and Panama. During Fiscal 2024, we entered into an agreement with a new third-party logistics provider to operate a distribution center in the Netherlands, which is expected to commence in February 2026.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we have been involved in litigation and other proceedings, including matters related to commercial disputes and intellectual property, as well as trade, regulatory and other claims related to our business. See Note 10 to our Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for information on certain legal proceedings, which is incorporated by reference herein.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Under Armour's Class A Common Stock and Class C Common Stock are traded on the New York Stock Exchange ("NYSE") under the symbols "UAA" and "UA", respectively. As of May 15, 2024, there were 2,176 record holders of our Class A Common Stock, 5 record holders of Class B Convertible Common Stock which are beneficially owned by our President and Chief Executive Officer, Kevin A. Plank, and 1,432 record holders of our Class C Common Stock.

Our Class A Common Stock was listed on the NYSE under the symbol "UA" until December 6, 2016 and under the symbol "UAA" since December 7, 2016. Prior to November 18, 2005, there was no public market for our Class A Common Stock. Our Class C Common Stock was listed on the NYSE under the symbol "UA.C" since its initial issuance on April 8, 2016 until December 6, 2016 and under the symbol "UA" since December 7, 2016.

Unregistered Sales of Equity Securities and Use of Proceeds

None.

Dividends

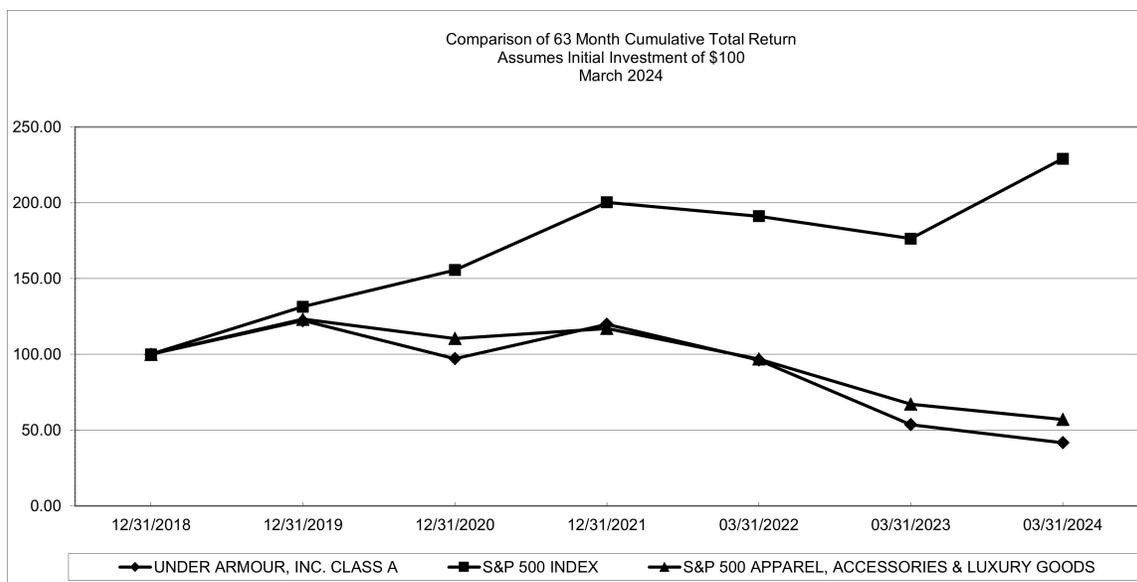
No cash dividends were declared or paid during Fiscal 2024, Fiscal 2023, Fiscal 2021 or the Transition Period on any class of our common stock. We currently anticipate we will retain future earnings for use in our business. As a result, we do not anticipate paying any cash dividends in the foreseeable future. However, if we were to consider declaring a cash dividend to our stockholders, we may be limited in our ability to do so under our credit facility. Refer to "Financial Position, Capital Resources and Liquidity" within Management's Discussion and Analysis, included in Part II, Item 7 of this Annual Report on Form 10-K and Note 9 to the Consolidated Financial Statements, included in Part II, Item 8 of this Annual Report on Form 10-K, for a further discussion of our credit facility.

Stock Compensation Plans

See Item 12 "Security Ownership of Certain beneficial Owners and Management and Related Stockholder Matters" for information regarding our equity compensation plans.

Stock Performance Graph

The stock performance graph below compares cumulative total return on Under Armour, Inc. Class A Common Stock to the cumulative total return of the S&P 500 Index and S&P 500 Apparel, Accessories and Luxury Goods Index from December 31, 2018 through March 31, 2024. The graph assumes an initial investment of \$100 in Under Armour and each index as of December 31, 2018 and reinvestment of any dividends. The performance shown on the graph below is not intended to forecast or be indicative of possible future performance of our common stock.



	12/31/2018	12/31/2019	12/31/2020	12/31/2021	3/31/2022	3/31/2023	3/31/2024
Under Armour, Inc.	\$ 100.00	\$ 122.24	\$ 97.17	\$ 119.92	\$ 96.32	\$ 53.70	\$ 41.75
S&P 500	\$ 100.00	\$ 131.49	\$ 155.68	\$ 200.37	\$ 191.15	\$ 176.38	\$ 229.08
S&P 500 Apparel, Accessories & Luxury Goods	\$ 100.00	\$ 123.24	\$ 110.47	\$ 117.17	\$ 96.95	\$ 67.17	\$ 57.12

ITEM 6. [RESERVED]

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help readers understand our results of operations and financial condition, and is provided as a supplement to, and should be read in conjunction with, our Consolidated Financial Statements and the accompanying Notes to our Consolidated Financial Statements under Part II, Item 8 and the information contained elsewhere in this Annual Report on Form 10-K under the captions "Business" and "Risk Factors".

This Annual Report on Form 10-K, including this MD&A, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 27A of the U.S. Securities Act of 1933, as amended ("the Securities Act"), and is subject to the safe harbors created by those sections. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. See "Forward Looking Statements."

All dollar and percentage comparisons made herein refer to Fiscal 2024 compared with Fiscal 2023, unless otherwise noted. Please refer to Part II, Item 7 of our Annual Report on Form 10-K, filed with the Securities Exchange Commission ("SEC") on May 24, 2023 for a comparative discussion of our Fiscal 2023 financial results as compared with the twelve months ended March 31, 2022, which is incorporated by reference herein.

OVERVIEW

We are a leading developer, marketer, and distributor of branded performance apparel, footwear, and accessories. Our brand's moisture-wicking fabrications are engineered in various designs and styles for wear in nearly every climate to provide a performance alternative to traditional products. Our products are sold worldwide and worn by athletes at all levels, from youth to professional, on playing fields around the globe and by consumers with active lifestyles.

Strategically and operationally, we remain focused on driving premium brand-right growth and improved profitability. We plan to continue to grow our business over the long term through increased sales of our apparel, footwear and accessories; growth in our direct-to-consumer sales channel; and expansion of our wholesale distribution. We believe that achievement of our long-term growth objectives depends, in part, on our ability to execute strategic initiatives in key areas including our wholesale, footwear, women's and direct-to-consumer businesses. Additionally, our digital strategy is focused on supporting these long-term objectives, emphasizing connection and engagement with our consumers through multiple digital touchpoints.

Fiscal 2024 Performance

During Fiscal 2024, we faced a challenging retail environment, particularly in North America, that included higher promotions and discounting as well as lower demand in our wholesale channel.

Financial highlights for Fiscal 2024 as compared to Fiscal 2023 include:

- Total net revenues decreased 3.4%.
- Within our channels, wholesale revenue decreased 6.5% and direct-to-consumer revenue increased 3.0%.

- Within our product categories, apparel revenue decreased 2.1%, footwear revenue decreased 4.9%, and accessories revenue decreased 0.7%.
- Net revenue decreased 8.3% in North America, increased 9.0% in EMEA, increased 5.8% in Asia-Pacific, and increased 7.6% in Latin America.
- Gross margin increased 130 basis points to 46.1%.
- Selling, general and administrative expenses increased 0.9%.

Recent Developments

On May 15, 2024, our Board of Directors approved a restructuring plan designed to rebalance our cost base to further improve profitability and cash flow generation. In connection with the restructuring plan, we expect to incur total estimated pre-tax restructuring and related charges of approximately \$70 million to \$90 million during fiscal year 2025, primarily consisting of up to approximately:

- \$50 million in cash-related charges, consisting of approximately \$15 million in employee severance and benefits costs, and \$35 million related to various transformational initiatives; and
- \$40 million in non-cash charges consisting of approximately \$7 million in employee severance and benefits costs and \$33 million in facility, software and other asset-related charges and impairments.

Effects of Inflation and Other Global Events

Macroeconomic factors, such as inflationary pressures and fluctuations in foreign currency exchange rates, have and may continue to impact our business. We continue to monitor these factors and the potential impacts they may have on our financial results, including product input costs, freight costs and consumer discretionary spending and therefore consumer demand for our products. We also continue to monitor the broader impacts of conflicts around the world on the economy, including its effect on inflationary pressures and the price of oil globally.

See "Risk Factors—Economic and Industry Risks—*Our business depends on consumer purchases of discretionary items, which can be negatively impacted during an economic downturn or periods of inflation. This could materially impact our sales, profitability, results of operations and financial condition*"; "*—Fluctuations in the cost of raw materials and commodities we use in our products and costs related to our supply chain could negatively affect our operating results*"; "*—Our financial results and ability to grow our business may be negatively impacted by global events beyond our control*"; and "*—Financial Risks—Our financial results could be adversely impacted by currency exchange rate fluctuations*" included in Item 1A of this Annual Report on Form 10-K.

RESULTS OF OPERATIONS

During Fiscal 2024, we identified and corrected certain accounting errors, primarily related to cost of goods sold and selling, general and administrative expenses on the Consolidated Statement of Operations, as well as corresponding impacts to our other Consolidated Financial Statements. The impacts of these revisions were not material to our previously filed financial statements. Information presented in the tables below for the year ended March 31, 2023 has been revised to reflect these corrections. See Note 1 of the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K.

The following tables set forth key components of our results of operations for the periods indicated, both in dollars and as a percentage of net revenues:

<i>(In thousands)</i>	Year Ended March 31,	
	2024	2023
Net revenues	\$ 5,701,879	\$ 5,903,165
Cost of goods sold	3,071,626	3,259,334
Gross profit	2,630,253	2,643,831
Selling, general and administrative expenses	2,400,502	2,380,245
Income (loss) from operations	229,751	263,586
Interest income (expense), net	268	(12,826)
Other income (expense), net	32,055	17,096
Income (loss) before income taxes	262,074	267,856
Income tax expense (benefit)	30,006	(108,645)
Income (loss) from equity method investments	(26)	(2,042)
Net income (loss)	\$ 232,042	\$ 374,459

<i>(As a percentage of net revenues)</i>	Year Ended March 31,	
	2024	2023
Net revenues	100.0 %	100.0 %
Cost of goods sold	53.9 %	55.2 %
Gross profit	46.1 %	44.8 %
Selling, general and administrative expenses	42.1 %	40.3 %
Income (loss) from operations	4.0 %	4.5 %
Interest income (expense), net	— %	(0.2)%
Other income (expense), net	0.6 %	0.3 %
Income (loss) before income taxes	4.6 %	4.5 %
Income tax expense (benefit)	0.5 %	(1.8)%
Income (loss) from equity method investments	— %	— %
Net income (loss)	4.1 %	6.3 %

Revenues

Net revenues consist of net sales, license revenues, and revenues from digital subscriptions, digital advertising and other digital business opportunities. Net sales consist of sales from apparel, footwear and accessories products. Our license revenues primarily consist of fees paid to us by licensees in exchange for the use of our trademarks on their products. The following tables summarize net revenues by product category and distribution channel for the periods indicated:

<i>(In thousands)</i>	Year Ended March 31,			
	2024	2023	Change (\$)	Change (%)
Net Revenues by Product Category				
Apparel	\$ 3,789,016	\$ 3,871,167	\$ (82,151)	(2.1)%
Footwear	1,383,610	1,455,265	(71,655)	(4.9)%
Accessories	405,715	408,521	(2,806)	(0.7)%
Net Sales	5,578,341	5,734,953	(156,612)	(2.7)%
License revenues	111,241	116,746	(5,505)	(4.7)%
Corporate Other ⁽¹⁾	12,297	51,466	(39,169)	(76.1)%
Total net revenues	<u>\$ 5,701,879</u>	<u>\$ 5,903,165</u>	<u>\$ (201,286)</u>	<u>(3.4)%</u>
Net Revenues by Distribution Channel				
Wholesale	\$ 3,243,187	\$ 3,468,126	\$ (224,939)	(6.5)%
Direct-to-consumer	2,335,154	2,266,827	68,327	3.0 %
Net Sales	5,578,341	5,734,953	(156,612)	(2.7)%
License revenues	111,241	116,746	(5,505)	(4.7)%
Corporate Other ⁽¹⁾	12,297	51,466	(39,169)	(76.1)%
Total net revenues	<u>\$ 5,701,879</u>	<u>\$ 5,903,165</u>	<u>\$ (201,286)</u>	<u>(3.4)%</u>

⁽¹⁾ Corporate Other primarily includes foreign currency hedge gains and losses related to revenues generated by entities within our operating segments but managed through our central foreign exchange risk management program, as well as subscription revenues from MMR and revenue from other digital business opportunities.

Net Sales

Net sales decreased by \$156.6 million, or 2.7%, to \$5,578.3 million during Fiscal 2024, from \$5,735.0 million in Fiscal 2023. Apparel decreased primarily due to lower unit sales, partially offset by higher average selling prices and favorable channel mix. Footwear decreased primarily due to lower unit sales, partially offset by higher average selling prices and favorable channel mix. Accessories decreased primarily due to lower average selling prices and lower unit sales, partially offset by favorable channel and regional mix. From a channel perspective, the decrease in net sales was due to a decrease in wholesale, partially offset by an increase in direct-to-consumer.

License Revenues

License revenues decreased by \$5.5 million or 4.7%, to \$111.2 million during Fiscal 2024, from \$116.7 million in Fiscal 2023. This was primarily due to lower revenues from our licensing partners in North America and our Japanese licensee.

Gross Profit

Cost of goods sold consists primarily of product costs, inbound freight and duty costs, outbound freight costs, handling costs to make products floor-ready to customer specifications, royalty payments to endorsers based on a predetermined percentage of sales of selected products and write downs for inventory obsolescence. In general, as a percentage of net revenues, we expect cost of goods sold associated with our apparel and accessories to be lower than that of our footwear. A limited portion of cost of goods sold is associated with digital subscription and advertising revenues, primarily website hosting costs, and no cost of goods sold is associated with our license revenues.

We include outbound freight costs associated with shipping goods to customers as cost of goods sold; however, we include the majority of outbound handling costs as a component of selling, general and administrative expenses. As a result, our gross profit may not be comparable to that of other companies that include outbound handling costs in their cost of goods sold. Outbound handling costs include costs associated with preparing goods to ship to customers and certain costs to operate our distribution facilities. These costs were \$79.8 million in Fiscal 2024 (Fiscal 2023: \$79.5 million).

Gross profit decreased by \$13.6 million to \$2,630.3 million during Fiscal 2024, as compared to \$2,643.8 million in Fiscal 2023. Gross profit as a percentage of net revenues, or gross margin, increased to 46.1% from 44.8%. This increase in gross margin of 130 basis points was primarily driven by favorable impacts of approximately 290 basis points from supply chain benefits, mainly due to lower freight and product costs. This was partially offset

by unfavorable impacts of approximately 130 basis points from proactive inventory management actions, including increased promotional activities within our direct-to-consumer channel; and 40 basis points from changes in foreign currency.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses consist of costs related to marketing, selling, product innovation and supply chain, and corporate services. We consolidate our selling, general and administrative expenses into two primary categories: marketing and other. The other category is the sum of our selling, product innovation and supply chain, and corporate services categories. The marketing category consists primarily of sports and brand marketing, media, and retail presentation. Sports and brand marketing includes professional, club and collegiate sponsorship agreements, individual athlete and influencer agreements, and providing and selling products directly to teams and individual athletes. Media includes digital, broadcast, and print media outlets, including social and mobile media. Retail presentation includes sales displays and concept shops and depreciation expense specific to our in-store fixture programs. Our marketing costs are an important driver of our growth.

<i>(In thousands)</i>	Year Ended March 31,			
	2024	2023	Change (\$)	Change (%)
Selling, General and Administrative Expenses	\$ 2,400,502	\$ 2,380,245	\$ 20,257	0.9 %

Selling, general and administrative expenses increased by \$20.3 million, or 0.9%, during Fiscal 2024 as compared to Fiscal 2023. Within selling, general and administrative expense:

- Marketing costs decreased \$51.8 million or 8.3%, due to a reduction in marketing activities during the period. As a percentage of net revenues, marketing costs decreased to 10.0% from 10.5%.
- Other costs increased \$72.0 million or 4.1%, primarily driven by higher litigation reserve, incentive compensation expenses, selling and distribution expenses, and facility related expenses, partially offset by lower consulting expenses. As a percentage of net revenues, other costs increased to 32.1% from 29.8%.

As a percentage of net revenues, selling, general and administrative expenses increased to 42.1% during Fiscal 2024 as compared to 40.3% in Fiscal 2023.

Interest (Income) Expense, net

Interest (income) expense, net is primarily comprised of interest incurred on our debt facilities, offset by interest income earned on our cash and cash equivalents. See Note 9 to our Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional details.

<i>(In thousands)</i>	Year Ended March 31,			
	2024	2023	Change (\$)	Change (%)
Interest (income) expense, net	\$ (268)	\$ 12,826	\$ (13,094)	(102.1)%

Interest expense, net decreased by \$13.1 million to interest income, net of \$0.3 million during Fiscal 2024. This was primarily due to an increase in interest income of \$11.9 million, resulting from higher interest rates, and a decrease in interest expense of \$1.2 million.

Other Income (Expense), net

Other income (expense), net generally consists of unrealized and realized gains and losses on our foreign currency derivative financial instruments, and unrealized and realized gains and losses on adjustments that arise from fluctuations in foreign currency exchange rates relating to transactions generated by our international subsidiaries. Other income (expense), net also includes earn-out income recorded in connection with the sale of the MyFitnessPal platform and rent expense relating to lease assets held solely for sublet purposes, primarily the lease related to our New York City, 5th Avenue location.

<i>(In thousands)</i>	Year Ended March 31,			
	2024	2023	Change (\$)	Change (%)
Other income (expense), net	\$ 32,055	\$ 17,096	\$ 14,959	87.5 %

Other income, net increased by \$15.0 million to \$32.1 million during Fiscal 2024. This was primarily due to a higher earn-out recorded in connection with the sale of the MyFitnessPal platform of \$5.0 million, a net gain from on

foreign currency hedges of \$6.2 million and a net gain from changes in foreign currency exchange rates of \$2.1 million.

Income Tax Expense (Benefit)

<i>(In thousands)</i>	Year Ended March 31,			
	2024	2023	Change (\$)	Change (%)
Income tax expense (benefit)	\$ 30,006	\$ (108,645)	\$ 138,651	(127.6)%

Income tax expense increased \$138.7 million to \$30.0 million during Fiscal 2024 from an income tax benefit of \$108.6 million in Fiscal 2023. For Fiscal 2024, our effective tax rate was 11.4% compared to (40.6%) for Fiscal 2023. The change was primarily due to the recognition of an income tax benefit from the release of the Company's U.S. federal valuation allowances on deferred tax assets in Fiscal 2023.

SEGMENT RESULTS OF OPERATIONS

Our operating segments are based on how our Chief Operating Decision Maker ("CODM") makes decisions about allocating resources and assessing performance. Our segments are defined by geographic regions, including North America, EMEA, Asia-Pacific and Latin America.

We exclude certain corporate items from our segment profitability measures. We report these items within Corporate Other, which is designed to provide increased transparency and comparability of our operating segments' performance. Corporate Other consists primarily of (i) operating results related to our MMR platforms and other digital business opportunities; (ii) general and administrative expenses not allocated to an operating segment, including expenses associated with centrally managed departments such as global marketing, global IT, global supply chain and innovation, and other corporate support functions; (iii) restructuring and restructuring related charges, if any; and (iv) certain foreign currency hedge gains and losses.

The net revenues and operating income (loss) associated with our segments are summarized in the following tables.

Net Revenues

<i>(In thousands)</i>	Year Ended March 31,			
	2024	2023	Change (\$)	Change (%)
North America	\$ 3,505,167	\$ 3,820,522	\$ (315,355)	(8.3)%
EMEA	1,081,915	992,624	89,291	9.0 %
Asia-Pacific	873,019	825,338	47,681	5.8 %
Latin America	229,481	213,215	16,266	7.6 %
Corporate Other ⁽¹⁾	12,297	51,466	(39,169)	(76.1)%
Total net revenues	\$ 5,701,879	\$ 5,903,165	\$ (201,286)	(3.4)%

⁽¹⁾ Corporate Other primarily includes foreign currency hedge gains and losses related to revenues generated by entities within our operating segments but managed through our central foreign exchange risk management program, as well as subscription revenues from MMR and revenue from other digital business opportunities.

The decrease in total net revenues for Fiscal 2024, compared to Fiscal 2023, was driven by the following:

- Net revenues in our North America region decreased by \$315.4 million, or 8.3%, to \$3,505.2 million from \$3,820.5 million. This was driven by a decrease in both our wholesale channel and our direct-to-consumer channel as well as a decrease in licensing revenues. Within our direct-to-consumer channel, net revenues decreased in both e-commerce and owned and operated retail store sales.
- Net revenues in our EMEA region increased by \$89.3 million, or 9.0%, to \$1,081.9 million from \$992.6 million. This was primarily driven by an increase in both our direct-to-consumer channel and our wholesale channel. Within our direct-to-consumer channel, net revenues increased in both owned and operated retail store and e-commerce sales. Net revenues in our EMEA region were also positively impacted by changes in foreign exchange rates.
- Net revenues in our Asia-Pacific region increased by \$47.7 million, or 5.8%, to \$873.0 million from \$825.3 million. This was driven by an increase in both our direct-to-consumer channel and our wholesale

channel. Within our direct-to-consumer channel, net revenues increased in both owned and operated retail store and e-commerce sales. During Fiscal 2023, our direct-to-consumer channel was negatively impacted by the COVID-19 related restrictions, which included temporary closures of our owned and operated stores and distribution centers in China. Net revenues in our Asia-Pacific region were also negatively impacted by changes in foreign exchange rates.

- Net revenues in our Latin America region increased by \$16.3 million, or 7.6%, to \$229.5 million from \$213.2 million. This was primarily driven by an increase in both our direct-to-consumer channel and our wholesale channel. Within our direct-to-consumer channel, net revenues increased in both owned and operated retail store and e-commerce sales. Net revenues in our Latin America region were also positively impacted by changes in foreign exchange rates.
- Net revenues in our Corporate Other non-operating segment decreased by \$39.2 million to \$12.3 million from \$51.5 million. This was primarily driven by lower foreign currency hedge gains related to revenues generated by entities within our operating segments.

Operating Income (Loss)

<i>(In thousands)</i>	Year Ended March 31,			
	2024	2023	Change (\$)	Change (%)
North America	\$ 677,882	\$ 714,656	\$ (36,774)	(5.1)%
EMEA	176,205	112,161	64,044	57.1 %
Asia-Pacific	119,650	100,276	19,374	19.3 %
Latin America	38,401	23,487	14,914	63.5 %
Corporate Other ⁽¹⁾	(782,387)	(686,994)	(95,393)	(13.9)%
Total operating income (loss)	<u>\$ 229,751</u>	<u>\$ 263,586</u>	<u>\$ (33,835)</u>	<u>(12.8)%</u>

⁽¹⁾ Corporate Other primarily includes foreign currency hedge gains and losses related to revenues generated by entities within our operating segments but managed through our central foreign exchange risk management program, as well as subscription revenues from MMR and revenue from other digital business opportunities. Corporate Other also includes expenses related to our central supporting functions.

The decrease in total operating income for Fiscal 2024, compared to Fiscal 2023, was primarily driven by the following:

- Operating income in our North America region decreased by \$36.8 million to \$677.9 million from \$714.7 million. This was primarily due to a decrease in gross profit, partially offset by lower marketing-related expenses. The decline in gross profit was driven by lower net revenues as discussed above, partially offset by lower product input costs and freight costs.
- Operating income in our EMEA region increased by \$64.0 million to \$176.2 million from \$112.2 million. This was primarily due to an increase in gross profit, partially offset by higher selling and distribution expenses, facilities-related expenses and non-salaried wage expenses. The increase in gross profit was driven by higher net revenues as discussed above and lower freight costs.
- Operating income in our Asia-Pacific region increased by \$19.4 million to \$119.7 million from \$100.3 million. This was primarily due to an increase in gross profit, lower marketing-related expenses and lower selling and distribution expenses, partially offset by higher facilities-related expenses and bad debt expenses. The increase in gross profit was driven by higher net revenues as discussed above.
- Operating income in our Latin America region increased by \$14.9 million to \$38.4 million from \$23.5 million. This was primarily due to an increase in gross profit, partially offset by higher selling and distribution costs. The increase in gross profit was driven by higher net revenues as discussed above and lower freight and product input costs.
- Operating loss in our Corporate Other non-operating segment increased by \$95.4 million to \$782.4 million from \$687.0 million. This was primarily due to higher litigation reserve, net losses arising from foreign currency hedges, and higher incentive compensation expenses, partially offset by lower consulting expenses.

LIQUIDITY AND CAPITAL RESOURCES

Our cash requirements have principally been for working capital and capital expenditures. We fund our working capital, primarily inventory, and capital investments from cash flows from operating activities, cash and cash equivalents on hand, and borrowings available under our credit and long-term debt facilities. Our working capital requirements generally reflect the seasonality in our business as we historically recognize the majority of our net revenues in the last two quarters of the calendar year. Our capital investments have generally included expanding our in-store fixture and branded concept shop program, improvements and expansion of our distribution and corporate facilities, including construction of our new global headquarters, leasehold improvements to our Brand and Factory House stores, and investment and improvements in information technology systems. Our inventory strategy is focused on continuing to meet consumer demand while improving our inventory efficiency over the long term by putting systems and processes in place to improve our inventory management. These systems and processes are designed to improve our forecasting and supply planning capabilities. In addition, we strive to enhance our inventory performance by focusing on adding discipline around product purchasing, reducing production lead time and improving planning and execution for selling excess inventory through our Factory House stores and other liquidation channels.

As of March 31, 2024, we had approximately \$858.7 million of cash and cash equivalents. We believe our cash and cash equivalents on hand, cash from operations, our ability to reduce our expenditures as needed, borrowings available to us under our amended credit agreement, our ability to access the capital markets, and other financing alternatives are adequate to meet our liquidity needs and capital expenditure requirements for at least the next twelve months. In addition, from time to time, based on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors and subject to compliance with applicable laws and regulations, we may seek to utilize cash on hand, borrowings or raise capital to retire, repurchase or redeem our debt securities, repay debt, repurchase shares of our common stock or otherwise enter into similar transactions to support our capital structure and business or utilize excess cash flow on a strategic basis. For example, as further described below, we repurchased a total of \$500 million of our Class C Common Stock through a series of accelerated share repurchase transactions during Fiscal 2024, Fiscal 2023 and the Transition Period, under the two-year program authorized by our Board of Directors in February 2022, and, in May 2024, our Board of Directors authorized a new share repurchase program pursuant to which we are authorized to repurchase a total of \$500 million of our Class C Common Stock through May 2027.

If there are unexpected material impacts to our business in future periods from global or regional public health emergencies or other global macroeconomic factors, or if we are subject to an adverse verdict or enter in to a settlement of our material litigation (see Note 10 to our Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K) that results in a significant cash outlay by us and we need to raise or conserve additional cash to fund our operations, we may consider additional alternatives, including further reducing our expenditures, changing our investment strategies, reducing compensation costs, including through temporary reductions in pay and layoffs, limiting certain marketing and capital expenditures, and negotiating, extending or delaying payment terms with our customers and vendors. In addition, we may seek alternative sources of liquidity, including but not limited to, accessing the capital markets, sale-leaseback transactions or other sales of assets, or other alternative financing measures. However, instability in, or tightening of the capital markets, could adversely affect our ability to access the capital markets on terms acceptable to us or at all. Although we believe we have adequate sources of liquidity over the long term, a prolonged or more severe economic recession, inflationary pressure, or a slow recovery could adversely affect our business and liquidity and could require us to take certain of the liquidity preserving actions described above.

As of March 31, 2024, \$632.2 million or approximately 74% of cash and cash equivalents was held by our foreign subsidiaries. Based on the capital and liquidity needs of our foreign operations, we intend to indefinitely reinvest these funds outside the United States. In addition, our United States operations do not require the repatriation of these funds to meet our currently projected liquidity needs. Should we require additional capital in the United States, we may borrow in the United States or elect to repatriate indefinitely reinvested foreign funds. If we were to repatriate indefinitely reinvested foreign funds, we would be required to accrue and pay certain taxes upon repatriation, including foreign withholding taxes and certain U.S. state taxes and recognized foreign exchange rate impacts. Determination of the unrecorded deferred tax liability that would be incurred if such amounts were repatriated is not practicable.

Refer to our "Risk Factors" section included in Part I, Item 1A of this Annual Report on Form 10-K.

Share Repurchase Program

On February 23, 2022, our Board of Directors authorized us to repurchase up to \$500 million (exclusive of fees and commissions) of outstanding shares of our Class C Common Stock over the following two years. As of March 31, 2024, we have repurchased a total of \$500 million or 45.6 million outstanding shares of our Class C Common Stock under the share repurchase program, thereby completing all repurchase activity under the repurchase program.

Pursuant to a number of previously disclosed accelerated share repurchase transactions that the Company entered into between May 2022 and November 2023 (the "ASR Agreements"), we repurchased 10.7 million and 18.7 million shares of Class C Common Stock, which were immediately retired, during Fiscal 2024 and Fiscal 2023, respectively. As a result, \$74.8 million was recorded to retained earnings to reflect the difference between the market price of the Class C Common Stock repurchased and its par value during Fiscal 2024 (Fiscal 2023: \$174.0 million).

On August 16, 2022, the Inflation Reduction Act (the "Act") was enacted and signed into law in the United States, which imposed a 1.0% excise tax on corporate stock repurchases in tax years beginning after December 31, 2022. As a result, we accrued \$0.7 million of excise tax in connection with the share repurchases completed during the year ended March 31, 2024, which was recorded in other current liabilities on the Consolidated Balance Sheets as of March 31, 2024.

On May 15, 2024, subsequent to the fiscal year end, our Board of Directors authorized the repurchase of up to \$500 million (exclusive of fees and commissions) of outstanding shares of our Class C Common Stock through May 31, 2027. See Note 22 to our Consolidated Financial Statements, included in Part II, Item 8 of this Annual Report on Form 10-K.

Contractual Commitments

We lease warehouse space, office facilities, space for our Brand and Factory House stores and certain equipment under non-cancelable operating leases. The leases expire at various dates through 2038, excluding extensions at our option, and include provisions for rental adjustments. In addition, this table includes executed lease agreements for Brand and Factory House stores that we did not yet occupy as of March 31, 2024. The operating leases generally contain renewal provisions for varying periods of time. Our significant contractual obligations and commitments as of March 31, 2024 are summarized in the following table:

<i>(In thousands)</i>	Payments Due by Period				
	Total	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years
Long term debt obligations ⁽¹⁾	\$ 730,276	\$ 101,026	\$ 629,250	\$ —	\$ —
Operating lease obligations ⁽²⁾	1,005,641	178,738	286,624	185,967	354,312
Product purchase obligations ⁽³⁾	1,144,145	1,144,145	—	—	—
Sponsorships and other ⁽⁴⁾	431,707	151,851	100,548	63,152	116,156
Total future minimum payments	\$ 3,311,769	\$ 1,575,760	\$ 1,016,422	\$ 249,119	\$ 470,468

⁽¹⁾ Includes estimated interest payments based on applicable fixed interest rates as of March 31, 2024, timing of scheduled payments, and the term of the debt obligations.

⁽²⁾ Includes future minimum payments for operating lease obligations. This amount also includes approximately \$58.9 million relating to an agreement entered into during Fiscal 2024 with a new third-party logistics provider to operate a distribution center in the Netherlands, which has been assessed to contain a lease and is expected to commence in February 2026. Minimum payments for lease obligations exclude variable lease costs, such as contingent rent expense we may incur at our Brand and Factory house stores based on future sales above a specified minimum or payments made for common area maintenance and real estate taxes.

⁽³⁾ We generally place orders with our manufacturers at least three to four months in advance of expected future sales. The amounts listed for product purchase obligations primarily represent our open production purchase orders with our manufacturers for our apparel, footwear and accessories, including expected inbound freight, duties and other costs. These open purchase orders specify fixed or minimum quantities of products at determinable prices. The product purchase obligations also includes fabric commitments with our suppliers, which secure a portion of our material needs for future seasons. The reported amounts exclude product purchase liabilities included in accounts payable as of March 31, 2024.

⁽⁴⁾ Includes sponsorships with professional teams, professional leagues, colleges and universities, individual athletes, athletic events and other marketing commitments in order to promote our brand. Some of these sponsorship agreements provide for additional performance incentives and product supply obligations. It is not possible to determine how much we will spend on product supply obligations on an annual basis as contracts generally do not stipulate specific cash amounts to be spent on products. The amount of product provided to these sponsorships depends on many factors including general playing conditions, the number of sporting events in which they participate and our decisions regarding product and marketing initiatives. In addition, it is not possible to determine the performance incentive amounts we may be required to pay under these agreements as they are primarily subject to certain performance based and other variables. The amounts listed above are

the fixed minimum amounts required to be paid under these sponsorship agreements. Additionally, these amounts include minimum guaranteed royalty payments to endorers and licensors based upon a predetermined percent of sales of particular products.

The table above excludes a liability of \$63.5 million for uncertain tax positions, inclusive of related interest and penalties, as we are unable to reasonably estimate the timing an amount of future cash settlement. Refer to Note 17 to the Consolidated Financial Statements, included in Part II, Item 8 of this Annual Report on Form 10-K, for a further discussion of our uncertain tax positions.

Cash Flows

The following table presents the major components of our cash flows provided by and used in operating, investing and financing activities for the periods presented:

<i>(In thousands)</i>	Year Ended March 31,		
	2024	2023	Change (\$)
Net cash provided by (used in):			
Operating activities	\$ 353,970	\$ (39,886)	\$ 393,856
Investing activities	(105,333)	(123,066)	17,733
Financing activities	(78,690)	(126,375)	47,685
Effect of exchange rate changes on cash and cash equivalents	(19,775)	(5,315)	(14,460)
Net increase (decrease) in cash and cash equivalents	<u>\$ 150,172</u>	<u>\$ (294,642)</u>	<u>\$ 444,814</u>

Operating Activities

Cash flows from operating activities increased by \$393.9 million, as compared to Fiscal 2023, primarily driven by an increase in net income before the impact of non-cash items of \$29.9 million and an increase from changes in working capital of \$364.0 million.

The changes in working capital were due to the following inflows:

- \$585.5 million from changes in inventories;
- \$95.9 million from changes in other non-current assets;
- \$57.0 million from changes in accounts receivable; and
- \$8.8 million from changes in prepaid expenses and other current assets.

These inflows were partially offset by the following working capital outflows:

- \$274.2 million from changes in accounts payable;
- \$77.9 million from changes in income taxes payable and receivable, net;
- \$22.3 million from changes in customer refund liabilities; and
- \$8.9 million from changes in accrued expenses and other liabilities.

Investing Activities

Cash flows used in investing activities decreased by \$17.7 million, as compared to Fiscal 2023. This was primarily due to a higher earn-out collected in connection with the sale of the MyFitnessPal platform and a decrease in capital expenditures.

Total capital expenditures during Fiscal 2024 were \$150.3 million, or approximately 3% of net revenues, representing a \$7.7 million decrease from \$158.1 million in Fiscal 2023. Our long-term operating principle for capital expenditures is to spend between 3% and 5% of annual net revenues as we invest in our global direct-to-consumer, e-Commerce and digital businesses, information technology systems, distribution centers and our global offices, including our new global headquarters in the Baltimore Peninsula, an area of Baltimore, Maryland. During the Fiscal 2024, we incurred capital expenditures of \$95.5 million relating to the construction of our new global headquarters. As previously disclosed, our plans for our new headquarters have been designed in line with our long-term sustainability strategy and include a commitment to reduce greenhouse gas emissions and increase sourcing of renewable electricity in our owned and operated facilities. We expect a portion of our capital expenditures over the next few years to include investments incorporating sustainable and intelligent building design features into this facility.

Financing Activities

Cash flows used in financing activities decreased by \$47.7 million, as compared to Fiscal 2023. During Fiscal 2024 and Fiscal 2023, we paid \$75.0 million and \$125.0 million, respectively, to repurchase shares of our Class C Common Stock through accelerated share repurchase transactions. For more details, see discussion above under "Share Repurchase Program".

Capital Resources

Credit Facility

On March 8, 2019, we entered into an amended and restated credit agreement by and among us, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders and arrangers party thereto (the "credit agreement"). In March 2024, we entered into a fourth amendment to the credit agreement (the credit agreement as amended and the "amended credit agreement" or the "revolving credit facility"). The amended credit agreement provides for an aggregate \$1.1 billion of revolving credit commitments comprised of two tranches: (i) one tranche of \$50 million that has a term that ends on December 3, 2026, and (ii) a second tranche of \$1.05 billion that has a term that ends on December 3, 2027, in each case with permitted extensions under certain circumstances. As of March 31, 2024 and March 31, 2023, there were no amounts outstanding under the revolving credit facility.

At our request and a lender's consent, commitments under the amended credit agreement may be increased by up to \$300.0 million in aggregate, subject to certain conditions as set forth in the amended credit agreement. Incremental borrowings are uncommitted and the availability thereof will depend on market conditions at the time we seek to incur such borrowings.

Borrowings, if any, under the revolving credit facility have maturities of less than one year. Up to \$50.0 million of the facility may be used for the issuance of letters of credit. As of March 31, 2024, \$4.2 million of letters of credit were outstanding (March 31, 2023: \$4.4 million).

Our obligations under the amended credit agreement are guaranteed by certain domestic significant subsidiaries of Under Armour, Inc., subject to customary exceptions (the "subsidiary guarantors") and primarily secured by a first-priority security interest in substantially all of the assets of Under Armour, Inc. and the subsidiary guarantors, excluding real property, capital stock in and debt of subsidiaries of Under Armour, Inc. holding certain real property and other customary exceptions. The amended credit agreement provides for the permanent fall away of guarantees and collateral upon our achievement of investment grade rating from two rating agencies.

The amended credit agreement contains negative covenants that, subject to significant exceptions, limit our ability to, among other things: incur additional secured and unsecured indebtedness; pledge the assets as security; make investments, loans, advances, guarantees and acquisitions (including investments in and loans to non-guarantor subsidiaries); undergo fundamental changes; sell assets outside the ordinary course of business; enter into transactions with affiliates; and make restricted payments.

We are also required to maintain a ratio of consolidated EBITDA, to consolidated interest expense of not less than 3.50 to 1.0 (the "interest coverage covenant") and we are not permitted to allow the ratio of consolidated total indebtedness to consolidated EBITDA to be greater than 3.25 to 1.0 (the "leverage covenant"), as described in more detail in the amended credit agreement. As of March 31, 2024, we were in compliance with the applicable covenants.

In addition, the amended credit agreement contains events of default that are customary for a facility of this nature, and includes a cross default provision whereby an event of default under other material indebtedness, as defined in the amended credit agreement, will be considered an event of default under the amended credit agreement.

The amended credit agreement implemented SOFR as the replacement for LIBOR as a benchmark interest rate for the U.S. dollar borrowings (and analogous benchmark rate replacements for borrowings in Yen, Pound Sterling and Euro). Borrowings under the amended credit agreement bear interest at a rate per annum equal to, at our option, either (a) an alternate base rate (for borrowings in U.S. dollars), (b) a term rate (for borrowings in U.S. dollars, Euros or Japanese Yen) or (c) a "risk free" rate (for borrowings in U.S. dollars or Pounds Sterling), plus in each case an applicable margin. The applicable margin for loans will be adjusted by reference to a grid (the "pricing grid") based on the leverage ratio of consolidated total indebtedness to consolidated EBITDA and ranges between 1.00% to 1.75% (or, in the case of alternate base rate loans 0.00% to 0.75%). We will also pay a commitment fee determined in accordance with the pricing grid on the average daily unused amount of the revolving credit facility and certain fees with respect to letters of credit. As of March 31, 2024, the commitment fee was 15.0 basis points.

1.50% Convertible Senior Notes

We have approximately \$80.9 million aggregate principal amount of 1.50% convertible senior notes due 2024 (the "Convertible Senior Notes") outstanding as of March 31, 2024, which were issued in May 2020. The Convertible Senior Notes bear interest at the fixed rate of 1.50% per annum, payable semiannually in arrears on June 1 and December 1 of each year, beginning December 1, 2020. The Convertible Senior Notes will mature on June 1, 2024, unless earlier converted in accordance with their terms, redeemed in accordance with their terms or repurchased. Upon maturity, the Company currently expects to repay the remaining approximately \$80.9 million aggregate principal amount of the Convertible Senior Notes outstanding, plus accrued and unpaid interest, using cash on hand.

The Convertible Senior Notes are not secured and are not guaranteed by any of our subsidiaries. The indenture governing the Convertible Senior Notes does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries.

The Convertible Senior Notes are convertible into cash, shares of our Class C Common Stock or a combination of cash and shares of Class C Common Stock, at our election, as described further below. The initial conversion rate is 101.8589 shares of our Class C Common Stock per \$1,000 principal amount of Convertible Senior Notes (equivalent to an initial conversion price of approximately \$9.82 per share of Class C Common Stock), subject to adjustment if certain events occur. Prior to the close of business on the business day immediately preceding January 1, 2024, holders held rights to (at their option) convert their Convertible Senior Notes only upon satisfaction of one or more specific conditions. As of March 31, 2024, no holder had exercised these rights. On or after January 1, 2024, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their Convertible Senior Notes at the conversion rate at any time irrespective of the foregoing conditions.

Beginning on December 6, 2022, we may redeem for cash all or any part of the Convertible Senior Notes, at our option, if the last reported sale price of our Class C Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the aggregate principal amount of the Convertible Senior Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

If we undergo a fundamental change (as defined in the indenture governing the Convertible Senior Notes) prior to the maturity date, subject to certain conditions, holders may require us to repurchase for cash all or any portion of their Convertible Senior Notes in principal amounts of \$1,000 or an integral multiple thereof at a price which will be equal to 100% of the aggregate principal amount of the Convertible Senior Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

Concurrently with the offering of the Convertible Senior Notes, we entered into privately negotiated capped call transactions with JPMorgan Chase Bank, National Association, HSBC Bank USA, National Association, and Citibank, N.A. (the "option counterparties"). The capped call transactions are expected generally to reduce potential dilution to our Class C Common Stock upon any conversion of Convertible Senior Notes and/or offset any cash payments we are required to make in excess of the aggregate principal amount of converted Convertible Senior Notes upon any conversion thereof, as the case may be, with such reduction and/or offset subject to a cap based on the cap price. The cap price of the capped call transactions is initially \$13.4750 per share of our Class C Common Stock, representing a premium of 75% above the last reported sale price of our Class C Common Stock on May 21, 2020, and is subject to certain adjustments under the terms of the capped call transactions.

3.250% Senior Notes

In June 2016, we issued \$600.0 million aggregate principal amount of 3.250% senior unsecured notes due June 15, 2026 (the "Senior Notes"). The proceeds were used to pay down amounts outstanding under the revolving credit facility, at the time. The Senior Notes bear interest at the fixed rate of 3.250% per annum, payable semi-annually on June 15 and December 15 beginning December 15, 2016. Prior to March 15, 2026 (three months prior to the maturity date of the Notes), we may redeem some or all of the Senior Notes at any time or from time to time at a redemption price equal to the greater of 100% of the principal amount of the Senior Notes to be redeemed or a "make-whole" amount applicable to such Senior Notes as described in the indenture governing the Senior Notes, plus accrued and unpaid interest to, but excluding, the redemption date.

The indenture governing the Senior Notes contains covenants, including limitations that restrict our ability and the ability of certain of our subsidiaries to create or incur secured indebtedness and enter into sale and

leaseback transactions and our ability to consolidate, merge or transfer all or substantially all of our properties or assets to another person, in each case subject to material exceptions described in the indenture.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Our Consolidated Financial Statements, included in Part II, Item 8 of this Annual Report on Form 10-K, have been prepared in accordance with U.S. GAAP. To prepare these financial statements, we must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosures of contingent assets and liabilities. Our estimates are often based on judgments, probabilities and assumptions that management believes to be reasonable, but that are inherently uncertain and unpredictable. It is also possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts. Actual results could be significantly different from these estimates.

Revenue Recognition

We recognize revenue pursuant to Accounting Standards Codification 606 ("ASC 606"). The amount of revenue recognized considers terms of sale that create variability in the amount of consideration that we ultimately expect to be entitled to in exchange for the products or services and is subject to an overall constraint that a significant revenue reversal will not occur in future periods.

We record reductions to revenue at the time of the transaction for estimated customer returns, allowances, markdowns and discounts. We base these estimates on historical rates of customer returns and allowances as well as the specific identification of outstanding returns, markdowns and allowances that have not yet been received by us. The actual amount of customer returns and allowances, which are inherently uncertain, may differ from our estimates. If we determine that actual or expected returns or allowances are significantly higher or lower than the reserves we established, we would record a reduction or increase, as appropriate, to net sales in the period in which we make such a determination. Provisions for customer specific discounts are based on contractual obligations with certain major customers. Reserves for returns, allowances, markdowns and discounts are included within customer refund liability and the value of inventory associated with reserves for sales returns are included within prepaid expenses and other current assets on the Consolidated Balance Sheets. As of March 31, 2024 and 2023, there were \$139.3 million and \$160.5 million, respectively, in reserves for returns, allowances, markdowns and discounts within customer refund liability and \$29.5 million and \$40.7 million, respectively, as the estimated value of inventory associated with the reserves for sales returns within prepaid expenses and other current assets on the Consolidated Balance Sheets.

Accounts Receivable and Credit Losses - Allowance for Doubtful Accounts

We make ongoing estimates relating to the collectability of accounts receivable and maintain an allowance for estimated losses resulting from the inability of our customers to make required payments. In determining the amount of the reserve, we consider historical levels of credit losses and significant economic developments within the retail environment that could impact the ability of our customers to pay outstanding balances and make judgments about the creditworthiness of significant customers based on ongoing credit evaluations. Because we cannot predict future changes in the financial stability of our customers, actual future losses from uncollectible accounts may differ from estimates. If the financial condition of customers were to deteriorate, resulting in their inability to make payments, a larger reserve might be required. In the event we determine a smaller or larger reserve is appropriate, we would record a benefit or charge to selling, general and administrative expense in the period in which such a determination was made. As of March 31, 2024 and 2023, the allowance for doubtful accounts was \$15.0 million and \$10.8 million, respectively.

Inventory Valuation and Reserves

Inventories consist primarily of finished goods. Costs of finished goods inventories include all costs incurred to bring inventory to its current condition, including inbound freight, duties and other costs. We value our inventory at standard cost which approximates landed cost, using the first-in, first-out method of cost determination. Net realizable value is estimated based upon assumptions made about future demand and retail market conditions. If we determine that the estimated net realizable value of our inventory is less than the carrying value of such inventory, we record a charge to cost of goods sold to reflect the lower of cost or net realizable value. If actual market conditions are less favorable than those that we projected, further adjustments may be required that would increase the cost of goods sold in the period in which such a determination was made. As of March 31, 2024 and 2023, the inventory reserve was \$44.2 million and \$34.8 million, respectively.

Goodwill, Intangible Assets and Long-Lived Assets

Goodwill and intangible assets are recorded at their estimated fair values at the date of acquisition and are allocated to the reporting units that are expected to receive the related benefits. Goodwill and indefinite lived intangible assets are not amortized and are required to be tested for impairment at least annually or sooner whenever events or changes in circumstances indicate that it is more likely than not that the fair value of the reporting unit is less than its carrying amount. In conducting an annual impairment test, we first review qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If factors indicate that is the case, we perform a quantitative goodwill impairment test. We compare the fair value of the reporting unit with its carrying amount. We estimate fair value using the discounted cash flows model, under the income approach, which indicates the fair value of the reporting unit based on the present value of the cash flows that we expect the reporting unit to generate in the future. Our significant estimates in the discounted cash flows model include: our weighted average cost of capital, long-term rate of growth and profitability of the reporting unit's business, and working capital effects. If the carrying amount of a reporting unit exceeds its fair value, goodwill is impaired to the extent that the carrying value exceeds the fair value of the reporting unit.

We continually evaluate whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. These factors may include a significant deterioration of operating results, changes in business plans, or changes in anticipated cash flows. When factors indicate that an asset should be evaluated for possible impairment, we review long-lived assets to assess recoverability from future operations using undiscounted cash flows. If future undiscounted cash flows are less than the carrying value, an impairment is recognized in earnings to the extent that the carrying value exceeds fair value.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities at tax rates expected to be in effect when such assets or liabilities are realized or settled. Deferred income tax assets are reduced by valuation allowances when necessary.

Income taxes include the largest amount of tax benefit for an uncertain tax position that is more likely than not to be sustained upon audit based on the technical merits of the tax position. Settlements with tax authorities, the expiration of statutes of limitations for particular tax positions or obtaining new information on particular tax positions may cause a change to the effective tax rate.

Assessing whether deferred tax assets are realizable requires significant judgment. We consider all available positive and negative evidence, including historical operating performance and expectations of future operating performance. The ultimate realization of deferred tax assets is often dependent upon future taxable income and therefore can be uncertain. To the extent we believe it is more likely than not that all or some portion of the asset will not be realized, valuation allowances are established against our deferred tax assets, which increase income tax expense in the period when such a determination is made.

Stock-Based Compensation

The assumptions used in calculating the fair value of stock-based compensation awards represent management's best estimates, but the estimates involve inherent uncertainties and the application of management judgment. In addition, compensation expense for performance-based awards is recorded over the related service period when achievement of the performance targets is deemed probable, which requires management judgment.

Summary of Significant Account Policies

Refer to Note 2 of our Consolidated Financial Statements, included in Part II, Item 8 this Annual Report on Form 10-K, for a summary of our significant accounting policies and our assessment of recently issued accounting standards.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency and Interest Rate Risk

We are exposed to global market risks, including the effects of changes in foreign currency and interest rates. We use derivative instruments to manage financial exposures that occur in the normal course of business and do not hold or issue derivatives for trading or speculative purposes.

We may elect to designate certain derivatives as hedging instruments under U.S. GAAP. We formally document all relationships between designated hedging instruments and hedged items, as well as our risk management objectives and strategies for undertaking hedged transactions. This process includes linking all derivatives designated as hedges to forecasted cash flows and assessing, both at inception and on an ongoing basis, the effectiveness of the hedging relationships.

Our foreign exchange risk management program consists of designated cash flow hedges and undesignated hedges. As of March 31, 2024, we had hedge instruments, primarily for British Pound/U.S. Dollar, U.S. Dollar/Chinese Renminbi, Euro/U.S. Dollar, U.S. Dollar/South Korean Won, U.S. Dollar/Mexican Peso, and U.S. Dollar/Canadian Dollar currency pairs. All derivatives are recognized on the Consolidated Balance Sheets at fair value and classified based on the instruments' maturity dates. The table below provides information about our foreign currency forward exchange agreements for the currencies listed above and presents the notional amounts and weighted average exchange rates by contractual maturity dates:

<i>(In thousands)</i>		Fiscal year ending March 31,					Total	Fair Value as of	
		2025	2026	2027	2028	2029 and thereafter		March 31, 2024	March 31, 2023
On-Balance Sheet Financial Instruments									
USD Functional Currency									
EUR	Notional	\$ 152,245	\$ 57,791	\$ —	\$ —	\$ —	\$ 210,036	\$ 668	\$ (3,263)
	Weighted Average Exchange Rate	1.09	1.12				1.10		
GBP	Notional	280,717	114,995	—	—	—	395,712	(3,721)	6,024
	Weighted Average Exchange Rate	1.24	1.28				1.25		
JPY	Notional	22,808	5,711	—	—	—	28,519	2,705	897
	Weighted Average Exchange Rate	0.01	0.01				0.01		
CNY Functional Currency									
USD	Notional	203,049	84,249	—	—	—	287,298	3,158	2,461
	Weighted Average Exchange Rate	7.00	6.96				6.99		
CAD Functional Currency									
USD	Notional	79,063	32,208	—	—	—	111,271	1,299	3,538
	Weighted Average Exchange Rate	1.34	1.34				1.34		
MXN Functional Currency									
USD	Notional	74,227	28,966	—	—	—	103,193	(10,452)	(15,271)
	Weighted Average Exchange Rate	19.35	18.53				19.12		
KRW Functional Currency									
USD	Notional	45,838	17,200	—	—	—	63,038	1,740	646
	Weighted Average Exchange Rate	1,281.40	1,296.24				1,285.45		

We currently generate a majority of our consolidated net revenues in the United States, and the reporting currency for our Consolidated Financial Statements is the U.S. dollar. As our net revenues and expenses generated outside of the United States increase, our results of operations could be adversely impacted by changes in foreign currency exchange rates. For example, as we recognize foreign revenues in local foreign currencies and if the U.S. dollar strengthens, it could have a negative impact on our foreign revenues upon translation of those results into the U.S. dollar upon consolidation of our financial statements. In addition, we are exposed to gains and losses resulting from fluctuations in foreign currency exchange rates relating to transactions generated by our international subsidiaries in currencies other than their local currencies. These gains and losses are driven by non-functional currency generated revenue, non-functional currency inventory purchases, investments in U.S. dollar denominated available-for-sale debt securities, and certain other intercompany transactions. As of March 31, 2024, the aggregate notional value of our outstanding cash flow hedges was \$1,199.1 million, with contract maturities ranging from one to twenty-four months.

In order to maintain liquidity and fund business operations, we may enter into long term debt arrangements with various lenders which bear a range of fixed and variable rates of interest. The nature and amount of our long term debt can be expected to vary as a result of future business requirements, market conditions and other factors. We may elect to enter into interest rate swap contracts to reduce the impact associated with interest rate fluctuations from time to time. Our interest rate swap contracts are accounted for as cash flow hedges.

For contracts designated as cash flow hedges, the changes in fair value are reported as other comprehensive income and are recognized in current earnings in the period or periods during which the hedged transaction affects current earnings. One of the criteria for this accounting treatment is the notional value of these

derivative contracts should not be in excess of specifically identified anticipated transactions. By their very nature, our estimates of the anticipated transactions may fluctuate over time and may ultimately vary from actual transactions. When anticipated transaction estimates or actual transaction amounts decline below hedged levels, or if it is no longer probable a forecasted transaction will occur by the end of the originally specified time period or within an additional two-month period of time, we are required to reclassify the cumulative change in fair value of the over-hedged portion of the related hedge contract from Other comprehensive income (loss) to Other expense, net during the period in which the decrease occurs.

We enter into derivative contracts with major financial institutions with investment grade credit ratings and are exposed to credit losses in the event of non-performance by these financial institutions. This credit risk is generally limited to the unrealized gains in the derivative contracts. However, we monitor the credit quality of these financial institutions and consider the risk of counterparty default to be minimal. Although we have entered into foreign currency contracts to minimize some of the impact of foreign currency exchange rate fluctuations on future cash flows, we cannot be assured that foreign currency exchange rate fluctuations will not have a material adverse impact on our financial condition and results of operations.

Credit Risk

We are exposed to credit risk primarily on our accounts receivable. We provide credit to customers in the ordinary course of business and perform ongoing credit evaluations. We believe that our exposure to concentrations of credit risk with respect to trade receivables is largely mitigated by our customer base. We believe that our allowance for doubtful accounts is sufficient to cover customer credit risks as of March 31, 2024. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates - Allowance for Doubtful Accounts" for a further discussion on our policies.

Inflation

Inflationary pressures have and may continue to adversely affect our operating results. We continue to monitor these factors and the potential impacts they may have on our financial results, including product input costs, freight costs and consumer discretionary spending and therefore consumer demand on our products. See our "Risk Factors—Economic and Industry Risks—*Our business depends on consumer purchases of discretionary items, which can be negatively impacted during an economic downturn or periods of inflation. This could materially impact our sales, profitability, results of operations and financial condition*" included in Item 1A of this Annual Report on Form 10-K.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Under Armour, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Under Armour, Inc. and its subsidiaries (the "Company") as of March 31, 2024 and 2023, and the related consolidated statements of operations, of comprehensive income (loss), of stockholders' equity and of cash flows for the years ended March 31, 2024 and 2023, for the three months ended March 31, 2022 and for the year ended December 31, 2021, including the related notes and schedule of valuation and qualifying accounts for the years ended March 31, 2024 and 2023, for the three months ended March 31, 2022 and for the year ended December 31, 2021 listed in the index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of March 31, 2024, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, and the results of its operations and its cash flows for the years ended March 31, 2024 and 2023, for the three months ended March 31, 2022 and for the year ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of March 31, 2024, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the COSO because material weaknesses in internal control over financial reporting existed as of that date related to ineffective design and maintenance of controls over certain aspects of the period-end financial reporting process, including the review and execution of certain balance sheet account reconciliations and the classification and presentation of general ledger accounts in the appropriate financial statement line items within the consolidated financial statements.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses referred to above are described in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. We considered these material weaknesses in determining the nature, timing, and extent of audit tests applied in our audit of the 2024 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in management's report referred to above. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition

As described in Notes 2 and 12 to the consolidated financial statements, the Company's total net revenue was \$5.7 billion for the year ended March 31, 2024. Revenue is recognized when the Company satisfies its performance obligations by transferring control of promised products or services to the customer, which occurs either at a point in time or over time, depending on when the customer obtains the ability to direct the use of and obtain substantially all of the remaining benefits from the products or services. The amount of revenue recognized considers terms of sale that create variability in the amount of consideration that the Company ultimately expects to be entitled to in exchange for the products or services and is subject to an overall constraint that a significant revenue reversal will not occur in future periods.

The principal consideration for our determination that performing procedures relating to revenue recognition is a critical audit matter is a high degree of auditor effort in performing procedures relating to the Company's revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the recording of revenue once control passes to the customer. These procedures also included, among others, (i) testing the completeness, accuracy, and occurrence of revenue recognized for a sample of revenue transactions by obtaining

and inspecting source documents, such as purchase orders, invoices, proof of shipment, and subsequent cash receipts; (ii) testing the completeness and accuracy of a sample of sales incentive transactions by obtaining and inspecting source documents, such as support for the nature of the incentive, amount, and agreement with the customer, and (iii) testing a sample of outstanding customer invoice balances as of March 31, 2024 by obtaining and inspecting source documents, such as invoices, proof of shipment, and subsequent cash receipts.

/s/ PricewaterhouseCoopers LLP

Baltimore, Maryland

May 29, 2024

We have served as the Company's auditor since 2003.

Under Armour, Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands, except share data)

	March 31, 2024	March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 858,691	\$ 710,929
Accounts receivable, net (Note 3)	757,339	758,564
Inventories	958,495	1,185,657
Prepaid expenses and other current assets, net	289,157	293,334
Total current assets	2,863,682	2,948,484
Property and equipment, net (Note 4)	664,503	644,834
Operating lease right-of-use assets (Note 5)	434,699	489,306
Goodwill (Note 6)	478,302	481,992
Intangible assets, net (Note 7)	7,000	8,940
Deferred income taxes (Note 17)	221,033	186,908
Other long-term assets	91,515	67,089
Total assets	<u>\$ 4,760,734</u>	<u>\$ 4,827,553</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt (Note 9)	\$ 80,919	\$ —
Accounts payable	483,731	648,486
Accrued expenses	287,853	366,530
Customer refund liabilities (Note 12)	139,283	160,533
Operating lease liabilities (Note 5)	139,331	140,990
Other current liabilities	34,344	42,744
Total current liabilities	1,165,461	1,359,283
Long-term debt, net of current maturities (Note 9)	594,873	674,478
Operating lease liabilities, non-current (Note 5)	627,665	705,713
Other long-term liabilities	219,449	121,932
Total liabilities	2,607,448	2,861,406
Stockholders' equity (Note 11)		
Class A Common Stock, \$0.0003 1/3 par value; 400,000,000 shares authorized as of March 31, 2024 and March 31, 2023; 188,802,043 shares issued and outstanding as of March 31, 2024 (March 31, 2023: 188,704,689)	63	63
Class B Convertible Common Stock, \$0.0003 1/3 par value; 34,450,000 shares authorized, issued and outstanding as of March 31, 2024 and March 31, 2023	11	11
Class C Common Stock, \$0.0003 1/3 par value; 400,000,000 shares authorized as of March 31, 2024 and March 31, 2023; 212,711,353 shares issued and outstanding as of March 31, 2024 (March 31, 2023: 221,346,517)	70	73
Additional paid-in capital	1,181,854	1,136,536
Retained earnings	1,048,411	897,306
Accumulated other comprehensive income (loss)	(77,123)	(67,842)
Total stockholders' equity	2,153,286	1,966,147
Total liabilities and stockholders' equity	<u>\$ 4,760,734</u>	<u>\$ 4,827,553</u>

Commitments and Contingencies (Note 10)

Related Party Transactions (Note 20)

See accompanying notes.

Under Armour, Inc. and Subsidiaries
Consolidated Statements of Operations
(In thousands, except per share amounts)

	Year Ended March 31, 2024	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021
Net revenues	\$ 5,701,879	\$ 5,903,165	\$ 1,300,793	\$ 5,682,592
Cost of goods sold	3,071,626	3,259,334	696,397	2,821,967
Gross profit	2,630,253	2,643,831	604,396	2,860,625
Selling, general and administrative expenses	2,400,502	2,380,245	597,158	2,344,859
Restructuring and impairment charges	—	—	56,674	40,518
Income (loss) from operations	229,751	263,586	(49,436)	475,248
Interest income (expense), net	268	(12,826)	(6,154)	(44,300)
Other income (expense), net	32,055	17,096	(107)	(51,009)
Income (loss) before income taxes	262,074	267,856	(55,697)	379,939
Income tax expense (benefit)	30,006	(108,645)	8,181	30,191
Income (loss) from equity method investments	(26)	(2,042)	732	1,255
Net income (loss)	<u>\$ 232,042</u>	<u>\$ 374,459</u>	<u>\$ (63,146)</u>	<u>\$ 351,003</u>
Basic net income (loss) per share of Class A, B and C common stock (Note 18)				
	\$ 0.53	\$ 0.83	\$ (0.13)	\$ 0.75
Diluted net income (loss) per share of Class A, B and C common stock (Note 18)				
	\$ 0.52	\$ 0.81	\$ (0.13)	\$ 0.75
Weighted average common shares outstanding Class A, B and C common stock				
Basic	440,324	451,426	471,425	465,504
Diluted	451,011	461,509	471,425	468,644

See accompanying notes.

Under Armour, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)
(In thousands)

	Year Ended March 31, 2024	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021
Net income (loss)	\$ 232,042	\$ 374,459	\$ (63,146)	\$ 351,003
Other comprehensive income (loss):				
Foreign currency translation adjustment	3,413	(10,402)	7,045	(6,552)
Unrealized gain (loss) on cash flow hedges, net of tax benefit (expense) of \$1,802, \$6,241, \$(909) and \$(5,725), for the years ended March 31, 2024 and 2023, three months ended March 31, 2022 and year ended December 31, 2021, respectively.	(4,043)	1,473	758	18,603
Gain (loss) on intra-entity foreign currency transactions	(8,651)	(18,827)	(279)	(476)
Total other comprehensive income (loss)	(9,281)	(27,756)	7,524	11,575
Comprehensive income (loss)	<u>\$ 222,761</u>	<u>\$ 346,703</u>	<u>\$ (55,622)</u>	<u>\$ 362,578</u>

See accompanying notes.

Under Armour, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity
(In thousands)

	Class A Common Stock		Class B Convertible Common Stock		Class C Common Stock		Additional Paid-in- Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2020	188,603	\$ 62	34,450	\$ 11	231,954	\$ 77	\$ 1,061,173	\$ 666,502	\$ (59,185)	\$ 1,668,640
Exercise of stock options	6	—	—	—	7	—	23	—	—	23
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	—	—	—	—	(291)	—	—	(6,082)	—	(6,082)
Issuance of Class A Common Stock, net of forfeitures	42	1	—	—	—	—	—	—	—	1
Issuance of Class C Common Stock, net of forfeitures	—	—	—	—	21,491	7	3,623	—	—	3,630
Stock-based compensation expense	—	—	—	—	—	—	43,794	—	—	43,794
Comprehensive income (loss)	—	—	—	—	—	—	—	351,003	11,575	362,578
Balance as of December 31, 2021	<u>188,651</u>	<u>\$ 63</u>	<u>34,450</u>	<u>\$ 11</u>	<u>253,161</u>	<u>\$ 84</u>	<u>\$ 1,108,613</u>	<u>\$ 1,011,423</u>	<u>\$ (47,610)</u>	<u>\$ 2,072,584</u>
Adoption of ASU 2020-06	—	—	—	—	—	—	(14,351)	5,144	—	(9,207)
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	—	—	—	—	(761)	—	—	(11,446)	—	(11,446)
Class C Common Stock Repurchased	—	—	—	—	(16,151)	(5)	(60,000)	(239,995)	—	(300,000)
Issuance of Class A Common Stock, net of forfeitures	18	—	—	—	—	—	—	—	—	—
Issuance of Class C Common Stock, net of forfeitures	—	—	—	—	2,223	—	935	—	—	935
Stock-based compensation expense	—	—	—	—	—	—	11,764	—	—	11,764
Comprehensive income (loss)	—	—	—	—	—	—	—	(63,146)	7,524	(55,622)
Balance as of March 31, 2022	<u>188,669</u>	<u>\$ 63</u>	<u>34,450</u>	<u>\$ 11</u>	<u>238,472</u>	<u>\$ 79</u>	<u>\$ 1,046,961</u>	<u>\$ 701,980</u>	<u>\$ (40,086)</u>	<u>\$ 1,709,008</u>
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	—	—	—	—	(549)	—	—	(5,151)	—	(5,151)
Class C Common Stock repurchased	—	—	—	—	(18,725)	(6)	48,988	(173,982)	—	(125,000)
Issuance of Class A Common Stock, net of forfeitures	36	—	—	—	—	—	—	—	—	—
Issuance of Class C Common Stock, net of forfeitures	—	—	—	—	2,149	—	3,776	—	—	3,776
Stock-based compensation expense	—	—	—	—	—	—	36,811	—	—	36,811
Comprehensive income (loss)	—	—	—	—	—	—	—	374,459	(27,756)	346,703
Balance as of March 31, 2023	<u>188,705</u>	<u>\$ 63</u>	<u>34,450</u>	<u>\$ 11</u>	<u>221,347</u>	<u>\$ 73</u>	<u>\$ 1,136,536</u>	<u>\$ 897,306</u>	<u>\$ (67,842)</u>	<u>\$ 1,966,147</u>
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	—	—	—	—	(807)	—	—	(6,163)	—	(6,163)
Excise tax on repurchases of common stock	—	—	—	—	—	—	(650)	—	—	(650)
Class C Common Stock repurchased	—	—	—	—	(10,685)	(3)	(223)	(74,774)	—	(75,000)
Issuance of Class A Common Stock, net of forfeitures	97	—	—	—	—	—	—	—	—	—
Issuance of Class C Common Stock, net of forfeitures	—	—	—	—	2,856	—	3,193	—	—	3,193
Stock-based compensation expense	—	—	—	—	—	—	42,998	—	—	42,998
Comprehensive income (loss)	—	—	—	—	—	—	—	232,042	(9,281)	222,761
Balance as of March 31, 2024	<u>188,802</u>	<u>\$ 63</u>	<u>34,450</u>	<u>\$ 11</u>	<u>212,711</u>	<u>\$ 70</u>	<u>\$ 1,181,854</u>	<u>\$ 1,048,411</u>	<u>\$ (77,123)</u>	<u>\$ 2,153,286</u>

See accompanying notes.

Under Armour, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended March 31, 2024	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021
Cash flows from operating activities				
Net income (loss)	\$ 232,042	\$ 374,459	\$ (63,146)	\$ 351,003
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	142,590	135,456	34,906	141,026
Unrealized foreign currency exchange rate (gain) loss	16,080	(8,463)	(8,585)	18,877
Loss on extinguishment of senior convertible notes	—	—	—	58,526
Loss on disposal of property and equipment	1,623	2,616	1,604	5,770
Non-cash restructuring and impairment charges	6,179	1,959	(1,871)	26,938
Amortization of bond premium and debt issuance costs	2,034	2,192	549	16,891
Stock-based compensation	42,998	36,811	11,764	43,794
Deferred income taxes	(23,693)	(153,143)	(2,500)	(2,642)
Changes in reserves and allowances	13,612	11,696	(5,250)	(25,766)
Changes in operating assets and liabilities:				
Accounts receivable	(3,906)	(60,910)	(132,462)	(30,635)
Inventories	216,484	(368,992)	(5,753)	93,184
Prepaid expenses and other assets	(29,060)	(37,907)	(3,537)	10,032
Other non-current assets	34,920	(60,944)	27,096	79,594
Accounts payable	(197,887)	76,280	(55,063)	26,027
Accrued expenses and other liabilities	(18,267)	(9,388)	(121,993)	(109,277)
Customer refund liability	(21,427)	851	(4,398)	(38,861)
Income taxes payable and receivable	(60,352)	17,541	4,564	(3,916)
Net cash provided by (used in) operating activities	353,970	(39,886)	(324,075)	660,565
Cash flows from investing activities				
Purchases of property and equipment	(150,333)	(158,066)	(37,493)	(66,032)
Sale of property and equipment	—	—	—	1,413
Sale of MyFitnessPal platform	45,000	35,000	—	—
Net cash provided by (used in) investing activities	(105,333)	(123,066)	(37,493)	(64,619)
Cash flows from financing activities				
Payments on long-term debt and revolving credit facility	—	—	—	(506,280)
Proceeds from capped call	—	—	—	91,722
Common shares repurchased	(75,000)	(125,000)	(300,000)	—
Employee taxes paid for shares withheld for income taxes	(6,163)	(5,151)	(11,446)	(5,983)
Proceeds from exercise of stock options and other stock issuances	3,193	3,776	934	3,688
Payments of debt financing costs	(720)	—	—	(1,884)
Net cash provided by (used in) financing activities	(78,690)	(126,375)	(310,512)	(418,737)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(19,775)	(5,315)	11,134	(23,391)
Net increase (decrease) in cash, cash equivalents and restricted cash	150,172	(294,642)	(660,946)	153,818
Cash, cash equivalents and restricted cash				
Beginning of period	726,745	1,021,387	1,682,333	1,528,515
End of period	\$ 876,917	\$ 726,745	\$ 1,021,387	\$ 1,682,333

Under Armour, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended March 31, 2024	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021
Non-cash investing and financing activities				
Change in accrual for property and equipment	\$ (5,597)	\$ 7,581	\$ (23,533)	\$ 19,214
Other supplemental information				
Cash paid (received) for income taxes, net of refunds	\$ 83,133	\$ 28,542	\$ 6,851	\$ 42,623
Cash paid (received) for interest, net of capitalized interest	\$ 4,428	\$ 19,218	\$ 7,120	\$ 25,226

Reconciliation of cash, cash equivalents and restricted cash	March 31, 2024	March 31, 2023	March 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 858,691	\$ 710,929	\$ 1,008,400	\$ 1,668,916
Restricted cash	18,226	15,816	12,987	13,417
Total cash, cash equivalents and restricted cash	<u>\$ 876,917</u>	<u>\$ 726,745</u>	<u>\$ 1,021,387</u>	<u>\$ 1,682,333</u>

See accompanying notes.

Under Armour, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
(Tabular amounts in thousands, except share and per share data)

NOTE 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Business

Under Armour, Inc. (together with its wholly owned subsidiaries, the "Company") is a developer, marketer and distributor of branded athletic performance apparel, footwear and accessories. The Company creates products engineered to make athletes better with a vision to inspire performance solutions you never knew you needed and can't imagine living without. The Company's products are made, sold and worn worldwide.

Fiscal Year End Change

As previously disclosed, the Company changed its fiscal year end from December 31 to March 31, effective for the fiscal year beginning April 1, 2022. The Company's current fiscal year began on April 1, 2023 and ended on March 31, 2024 ("Fiscal 2024"). The Company's 2023 fiscal year began on April 1, 2022 and ended on March 31, 2023 ("Fiscal 2023"). This Annual Report on Form 10-K refers to the period beginning on January 1, 2022 and ending March 31, 2022 as the "Transition Period". The Company filed a Transition Report on Form 10-QT that included financial information for the Transition Period with the SEC on May 9, 2022. The Company's 2021 fiscal year began on January 1, 2021 and ended on December 31, 2021 ("Fiscal 2021"). There was no Fiscal 2022.

Basis of Presentation

The accompanying Consolidated Financial Statements are presented in U.S. Dollars and include the accounts of Under Armour, Inc. and its wholly owned subsidiaries and were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). In the opinion of management, all adjustments consisting of normal, recurring adjustments considered necessary for a fair statement of the financial position and results of operations were included. Intercompany balances and transactions were eliminated upon consolidation.

Reclassifications

Certain prior period comparative amounts have been reclassified to conform to the current period presentation. Such reclassifications were not material and did not affect the Consolidated Financial Statements.

Management Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. These estimates, judgments and assumptions are evaluated on an on-going basis. The Company bases its estimates on historical experience and on various other assumptions that it believes are reasonable at that time; however, actual results could differ from these estimates.

As the impacts of major global events continue to evolve, estimates and assumptions about future events and their effects cannot be determined with certainty and therefore require increased judgment. The extent to which the evolving events impact the Company's financial statements will depend on a number of factors including, but not limited to, any new information that may emerge concerning the severity of these major events and the actions that governments around the world may take in response. While the Company believes it has made appropriate accounting estimates and assumptions based on the facts and circumstances available as of this reporting date, the Company may experience further impacts based on long-term effects on the Company's customers and the countries in which the Company operates. Please see the risk factors discussed in Part I, Item 1A "Risk Factors" of this Annual Report on Form 10-K.

Revision of Previously Issued Financial Statements

The Company identified and corrected certain accounting errors. Using the guidance in Accounting Standards Codification ("ASC") Topic 250, Accounting Changes and Error Corrections, ASC Topic 250-S99-1, Assessing Materiality, and ASC Topic 250-S99-2, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements, the Company evaluated whether its previously issued consolidated financial statements were materially misstated due to these errors. Based upon the evaluation of both quantitative and qualitative factors, the Company concluded that the effects of these errors were not material individually or in the aggregate to any previously reported quarterly or annual period. However, the Company has revised its previously issued annual consolidated financial statements to correct these errors.

The following is a general description of the accounting errors identified and the impact of these adjustments on the Company's previously reported annual consolidated financial statements.

- (1) *Net revenues* - the Company recorded adjustments to correct overstatements to net revenues on the consolidated statement of operations that resulted from errors in recording certain promotional gift card and e-commerce transactions.
- (2) *Cost of goods sold* - the Company recorded adjustments to correct understatements to cost of goods sold on the consolidated statement of operations that resulted from errors in recording duty costs for certain inventory shipments.
- (3) *Selling, general and administrative expenses* - the Company recorded adjustments to correct net understatements to selling, general and administrative expenses on the consolidated statement of operations that resulted from errors in recording and tracking prepaid selling and accrued payroll expenses, timing errors associated with placing certain assets into service with appropriate useful lives, and other miscellaneous errors that corrected prior period balance sheet over and under accruals.
- (4) *Other adjustments* - the Company recorded other adjustments to (i) correct immaterial errors identified within other income (expense), net on the consolidated statement of operations and (ii) record the income tax effects relating to all adjustments discussed above.
- (5) *Purchases of property and equipment* - the Company recorded adjustments to correct overstatements to purchases of property and equipment on the consolidated statements of cash flows that resulted from errors associated with the classification of certain software assets on the consolidated balance sheets.

The corresponding adjustments to correct the errors described above, including the cumulative impact on retained earnings, are referenced on the relevant line items on the following Consolidated Balance Sheet, Consolidated Statements of Operations, Consolidated Statements of Comprehensive Income (Loss), Consolidated Statements of Stockholders' Equity and Consolidated Statements of Cash Flows.

Consolidated Balance Sheet

<i>(In thousands)</i>	As of March 31, 2023		
	As Previously Reported	Adjustments	As Revised
Assets			
Current assets			
Cash and cash equivalents	\$ 711,910	\$ (981) ⁽³⁾	\$ 710,929
Accounts receivable, net	759,860	(1,296) ⁽¹⁾⁽³⁾	758,564
Inventories	1,190,253	(4,596) ⁽²⁾⁽⁴⁾	1,185,657
Prepaid expenses and other current assets, net	297,563	(4,229) ⁽³⁾⁽⁴⁾⁽⁵⁾	293,334
Total current assets	<u>2,959,586</u>	<u>(11,102)</u>	<u>2,948,484</u>
Property and equipment, net	672,736	(27,902) ⁽³⁾⁽⁵⁾	644,834
Operating lease right-of-use assets	489,306	—	489,306
Goodwill	481,992	—	481,992
Intangible assets, net	8,940	—	8,940
Deferred income taxes	186,167	741 ⁽⁴⁾	186,908
Other long-term assets	58,356	8,733 ⁽³⁾⁽⁵⁾	67,089
Total assets	<u>\$ 4,857,083</u>	<u>\$ (29,530)</u>	<u>\$ 4,827,553</u>
Liabilities and Stockholders' Equity			
Current liabilities			
Accounts payable	649,116	(630) ⁽³⁾	648,486
Accrued expenses	354,643	11,887 ⁽¹⁾⁽³⁾	366,530
Customer refund liabilities	160,533	—	160,533
Operating lease liabilities	140,990	—	140,990
Other current liabilities	51,609	(8,865) ⁽³⁾⁽⁴⁾	42,744
Total current liabilities	<u>1,356,891</u>	<u>2,392</u>	<u>1,359,283</u>
Long-term debt, net of current maturities	674,478	—	674,478
Operating lease liabilities, non-current	705,713	—	705,713
Other long-term liabilities	121,598	334 ⁽³⁾⁽⁴⁾	121,932
Total liabilities	<u>2,858,680</u>	<u>2,726</u>	<u>2,861,406</u>
Total stockholders' equity	1,998,403	(32,256)	1,966,147
Total liabilities and stockholders' equity	<u>\$ 4,857,083</u>	<u>\$ (29,530)</u>	<u>\$ 4,827,553</u>

Consolidated Statements of Operations

<i>(In thousands, except per share amounts)</i>	Year Ended March 31, 2023			Three Months Ended March 31, 2022 (Transition Period)			Year Ended December 31, 2021		
	As Previously Reported	Adjustment	As Revised	As Previously Reported	Adjustment	As Revised	As Previously Reported	Adjustment	As Revised
Net revenues	\$ 5,903,636	\$ (471) ⁽¹⁾	\$ 5,903,165	\$ 1,300,945	\$ (152) ⁽¹⁾	\$ 1,300,793	\$ 5,683,466	\$ (874) ⁽¹⁾	\$ 5,682,592
Cost of goods sold	3,254,296	5,038 ⁽²⁾	3,259,334	695,781	616 ⁽²⁾	696,397	2,821,967	—	2,821,967
Gross profit	2,649,340	(5,509)	2,643,831	605,164	(768)	604,396	2,861,499	(874)	2,860,625
Selling, general and administrative expenses	2,365,529	14,716 ⁽³⁾	2,380,245	594,446	2,712 ⁽³⁾	597,158	2,334,691	10,168 ⁽³⁾	2,344,859
Restructuring and impairment charges	—	—	—	56,674	—	56,674	40,518	—	40,518
Income (loss) from operations	283,811	(20,225)	263,586	(45,956)	(3,480)	(49,436)	486,290	(11,042)	475,248
Interest income (expense), net	(12,826)	—	(12,826)	(6,154)	—	(6,154)	(44,300)	—	(44,300)
Other income (expense), net	16,780	316 ⁽⁴⁾	17,096	(51)	(56) ⁽⁴⁾	(107)	(51,113)	104 ⁽⁴⁾	(51,009)
Income (loss) before income taxes	287,765	(19,909)	267,856	(52,161)	(3,536)	(55,697)	390,877	(10,938)	379,939
Income tax expense (benefit)	(101,046)	(7,599) ⁽⁴⁾	(108,645)	8,181	—	8,181	32,072	(1,881) ⁽⁴⁾	30,191
Income (loss) from equity method investments	(2,042)	—	(2,042)	732	—	732	1,255	—	1,255
Net income (loss)	\$ 386,769	\$ (12,310)	\$ 374,459	\$ (59,610)	\$ (3,536)	\$ (63,146)	\$ 360,060	\$ (9,057)	\$ 351,003
Basic net income (loss) per share	\$ 0.86	\$ (0.03)	\$ 0.83	\$ (0.13)	\$ —	\$ (0.13)	\$ 0.77	\$ (0.02)	\$ 0.75
Diluted net income (loss) per share	\$ 0.84	\$ (0.03)	\$ 0.81	\$ (0.13)	\$ —	\$ (0.13)	\$ 0.77	\$ (0.02)	\$ 0.75

Consolidated Statements of Comprehensive Income (Loss)

<i>(In thousands)</i>	Year Ended March 31, 2023			Three Months Ended March 31, 2022 (Transition Period)			Year Ended December 31, 2021		
	As Previously Reported	Adjustment	As Revised	As Previously Reported	Adjustment	As Revised	As Previously Reported	Adjustment	As Revised
Net income (loss)	\$ 386,769	\$ (12,310)	\$ 374,459	\$ (59,610)	\$ (3,536)	\$ (63,146)	\$ 360,060	\$ (9,057)	\$ 351,003
Comprehensive income (loss)	\$ 359,013	\$ (12,310)	\$ 346,703	\$ (52,086)	\$ (3,536)	\$ (55,622)	\$ 371,635	\$ (9,057)	\$ 362,578

Consolidated Statements of Stockholders' Equity

<i>(In thousands)</i>	As Previously Reported		Adjustments		As Revised	
	Retained Earnings	Total Equity	Retained Earnings	Total Equity	Retained Earnings	Total Equity
Balance as of December 31, 2020	\$ 673,855	\$ 1,675,993	\$ (7,353)	\$ (7,353)	\$ 666,502	\$ 1,668,640
Comprehensive income (loss)	360,060	371,635	(9,057)	(9,057)	351,003	362,578
Balance as of December 31, 2021	\$ 1,027,833	\$ 2,088,994	\$ (16,410)	\$ (16,410)	\$ 1,011,423	\$ 2,072,584
Comprehensive income (loss)	(59,610)	(52,086)	(3,536)	(3,536)	(63,146)	(55,622)
Balance as of March 31, 2022	\$ 721,926	\$ 1,728,954	\$ (19,946)	\$ (19,946)	\$ 701,980	\$ 1,709,008
Comprehensive income (loss)	386,769	359,013	(12,310)	(12,310)	374,459	346,703
Balance as of March 31, 2023	\$ 929,562	\$ 1,998,403	\$ (32,256)	\$ (32,256)	\$ 897,306	\$ 1,966,147

Consolidated Statements of Cash Flows

<i>(In thousands)</i>	Year Ended March 31, 2023			Three Months Ended March 31, 2022 (Transition Period)			Year Ended December 31, 2021		
	As Previously Reported	Adjustment	As Revised	As Previously Reported	Adjustment	As Revised	As Previously Reported	Adjustment	As Revised
Cash flows from operating activities									
Net income (loss)	\$ 386,769	\$ (12,310)	\$ 374,459	\$ (59,610)	\$ (3,536)	\$ (63,146)	\$ 360,060	\$ (9,057)	\$ 351,003
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities									
Depreciation and amortization	137,620	(2,164) ⁽³⁾⁽⁵⁾	135,456	34,960	(54) ⁽³⁾⁽⁵⁾	34,906	141,144	(118) ⁽³⁾⁽⁵⁾	141,026
Loss on disposal of property and equipment	2,619	(3) ⁽³⁾	2,616	1,604	—	1,604	4,468	1,302 ⁽³⁾	5,770
Deferred income taxes	(152,403)	(740) ⁽⁴⁾	(153,143)	(2,500)	—	(2,500)	(2,642)	—	(2,642)
Changes in operating assets and liabilities:									
Accounts receivable	(62,162)	1,252 ⁽¹⁾⁽³⁾	(60,910)	(131,988)	(474) ⁽¹⁾⁽³⁾	(132,462)	(31,153)	518 ⁽¹⁾⁽³⁾	(30,635)
Inventories	(373,714)	4,722 ⁽²⁾⁽⁴⁾	(368,992)	(6,425)	672 ⁽²⁾⁽⁴⁾	(5,753)	93,287	(103) ⁽²⁾⁽⁴⁾	93,184
Prepaid expenses and other assets	(36,652)	(1,255) ⁽³⁾⁽⁴⁾⁽⁵⁾	(37,907)	(4,326)	789 ⁽³⁾⁽⁴⁾⁽⁵⁾	(3,537)	10,224	(192) ⁽³⁾⁽⁴⁾⁽⁵⁾	10,032
Other non-current assets	(52,795)	(8,149) ⁽³⁾⁽⁵⁾	(60,944)	27,628	(532) ⁽³⁾⁽⁵⁾	27,096	79,782	(188) ⁽³⁾⁽⁵⁾	79,594
Accounts payable	77,558	(1,278) ⁽³⁾	76,280	(54,970)	(93) ⁽³⁾	(55,063)	26,027	—	26,027
Accrued expenses and other liabilities	12,081	(21,469) ⁽¹⁾⁽³⁾	(9,388)	(122,589)	596 ⁽¹⁾⁽³⁾	(121,993)	(114,794)	5,517 ⁽¹⁾⁽³⁾	(109,277)
Income taxes payable and receivable	6,119	11,422 ⁽⁴⁾	17,541	4,564	—	4,564	(1,973)	(1,943) ⁽⁴⁾	(3,916)
Net cash provided by (used in) operating activities	\$ (9,914)	\$ (29,972)	\$ (39,886)	\$ (321,443)	\$ (2,632)	\$ (324,075)	\$ 664,829	\$ (4,264)	\$ 660,565
Cash flows from investing activities									
Purchases of property and equipment	(187,796)	29,730 ⁽⁵⁾	(158,066)	(39,923)	2,430 ⁽⁵⁾	(37,493)	(69,759)	3,727 ⁽⁵⁾	(66,032)
Net cash provided by (used in) investing activities	\$ (152,796)	\$ 29,730	\$ (123,066)	\$ (39,923)	\$ 2,430	\$ (37,493)	\$ (68,346)	\$ 3,727	\$ (64,619)
Net increase (decrease) in cash, cash equivalents and restricted cash	(294,400)	(242)	(294,642)	(660,744)	(202)	(660,946)	154,355	(537)	153,818
Cash, cash equivalents and restricted cash									
Beginning of period	\$ 1,022,126	\$ (739)	\$ 1,021,387	\$ 1,682,870	\$ (537)	\$ 1,682,333	\$ 1,528,515	\$ —	\$ 1,528,515
End of period	\$ 727,726	\$ (981)	\$ 726,745	\$ 1,022,126	\$ (739)	\$ 1,021,387	\$ 1,682,870	\$ (537)	\$ 1,682,333

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash, Cash Equivalents and Restricted Cash

In accordance with ASC Topic 305 "Cash and Cash Equivalents", the Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash and cash equivalents. The Company's restricted cash is reserved for cash collateral held for standby letters of credit and payments related to claims for its captive insurance program, which is included in prepaid expenses and other current assets on the Company's Consolidated Balance Sheets.

Concentration of Credit Risk

Financial instruments that subject the Company to significant concentration of credit risk consist primarily of accounts receivable. The majority of the Company's accounts receivable is due from large wholesale customers. As of March 31, 2024 and March 31, 2023, no single customer accounted for more than 10% of the Company's accounts receivable balance.

For Fiscal 2024, Fiscal 2023 and the Transition Period, no single customer accounted for more than 10% of the Company's net revenues. For Fiscal 2021, one customer within the North America region accounted for approximately 11% of the Company's net revenues.

Accounts Receivable and Credit Losses - Allowance for Doubtful Accounts

The Company is exposed to credit losses primarily through customer receivables associated with the sale of products within the Company's wholesale channel and through credit card receivables associated with the sale of products within the Company's direct-to-consumer channel, recorded within accounts receivable, net on the Company's Consolidated Balance Sheets. The Company also has other receivables, including receivables from licensing arrangements recorded in prepaid expenses and other current assets on the Company's Consolidated Balance Sheets.

Credit is extended to wholesale customers based on a credit review. The credit review considers each customer's financial condition, including a review of the customer's established credit rating or, if an established credit rating is not available, then the Company's assessment of the customer's creditworthiness is based on their financial statements, local industry practices, and business strategy. A credit limit and invoice terms are established for each customer based on the outcome of this review. To mitigate credit risk from the wholesale channel, the Company may require customers to provide security in the form of guarantees, letters of credit, deposits, collateral or prepayment. Further, to mitigate certain risk from other wholesale customers, the Company has acquired specific trade accounts receivable insurance policies.

The allowance for doubtful accounts is based on the Company's assessment of the collectability of customer accounts receivable. In accordance with ASC Topic 326 "Financial Instruments - Credit Losses", the Company makes ongoing estimates relating to the collectability of accounts receivable and records an allowance for estimated losses expected from the inability of its customers to make required payments. The Company establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect a customer's ability to pay, and creditworthiness of significant customers. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Accounts receivable are written off when there is no reasonable expectation of recovery.

Inventories

Inventories consist primarily of finished goods. Costs of finished goods inventories include all costs incurred to bring inventory to its current condition, including inbound freight, duties and other costs. In accordance with ASC Topic 330 "Inventory", the Company values its inventory at standard cost which approximates landed cost, using the first-in, first-out method of cost determination. Net realizable value is estimated based upon assumptions made about future demand and retail market conditions. If the Company determines that the estimated net realizable value of its inventory is less than the carrying value of such inventory, it records a charge to cost of goods sold to reflect the lower of cost or net realizable value. If actual market conditions are less favorable than those projected by the Company, further adjustments may be required that would increase the cost of goods sold in the period in which such a determination was made.

Property and Equipment

In accordance with ASC Topic 360 "Property, Plant and Equipment", property and equipment are stated at cost less accumulated depreciation. The Company includes the cost associated with software customized for

internal use within Property and Equipment on the Company's Consolidated Balance Sheets. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets, as follows:

	<i>Years</i>
Furniture, fixtures and displays, office equipment, software and plant equipment ⁽¹⁾	3 to 10
Site improvements, buildings and building equipment	10 to 35
Leasehold and tenant improvements	Shorter of the remaining lease term or related asset life

⁽¹⁾ The cost of in-store apparel and footwear fixtures and displays are capitalized as part of "furniture, fixtures and displays", and depreciated over three years.

The Company periodically reviews its assets' estimated useful lives based upon actual experience and expected future utilization. A change in useful life is treated as a change in accounting estimate and is applied prospectively.

The Company capitalizes the cost of interest for long term property and equipment projects based on the Company's weighted average borrowing rates in place while the projects are in progress. Capitalized interest was \$6.0 million as of March 31, 2024 (March 31, 2023: \$3.1 million).

Upon retirement or disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in selling, general and administrative expenses for that period. Major additions and betterments are capitalized to the asset accounts while maintenance and repairs are expensed as incurred.

Leases

The Company enters into operating leases domestically and internationally to lease certain warehouse space, office facilities, space for its Brand and Factory House stores, and certain equipment under non-cancelable operating leases. The leases expire at various dates through 2038, excluding extensions at the Company's option, and include provisions for rental adjustments.

In accordance with ASC Topic 842 "Leases", the Company accounts for a contract as a lease when it has the right to direct the use of the asset for a period of time while obtaining substantially all of the asset's economic benefits. The Company determines the initial classification and measurement of its right-of-use ("ROU") assets and lease liabilities at the lease commencement date and thereafter if modified. ROU assets represent the Company's right to control the underlying assets under lease, over the contractual term. ROU assets and lease liabilities are recognized on the Consolidated Balance Sheets based on the present value of future minimum lease payments to be made over the lease term. ROU assets and lease liabilities are established on the Company's Consolidated Balance Sheets for leases with an expected term greater than one year. Short-term lease payments were not material for Fiscal 2024, Fiscal 2023, Fiscal 2021 and the Transition Period.

As the rate implicit in a lease is not readily determinable, the Company uses its secured incremental borrowing rate to determine the present value of the lease payments. The Company calculates the incremental borrowing rate based on the current market yield curve and adjusts for foreign currency impacts for international leases.

Fixed lease costs are included in the recognition of ROU assets and lease liabilities. Variable lease costs are not included in the measurement of the lease liability. Variable lease payments are recognized in the Consolidated Statements of Operations in the period in which the obligation for those payments is incurred. Historically, variable lease costs primarily consisted of lease payments dependent on sales in Brand and Factory House stores. During Fiscal 2024, variable lease costs were revised to also include other non-lease components payable to the lessor, including common area maintenance and real estate taxes. This presentation change did not affect total lease related costs recorded within the Company's Consolidated Statement of Operations. The Company has elected to combine lease and non-lease components in the determination of lease costs for its leases. The lease liability includes lease payments related to options to extend or renew the lease term only if the Company is reasonably certain to exercise those options.

Goodwill, Intangible Assets and Long-Lived Assets

Goodwill and intangible assets are recorded at their estimated fair values at the date of acquisition and are allocated to the reporting units that are expected to receive the related benefits. Goodwill and indefinite lived intangible assets are not amortized and, in accordance with ASC Topic 350-20 "Goodwill", are required to be tested for impairment at least annually or sooner whenever events or changes in circumstances indicate that it is more

likely than not that the fair value of the reporting unit is less than its carrying amount. In conducting an annual impairment test, the Company first reviews qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If factors indicate that is the case, the Company performs a quantitative goodwill impairment test. The Company compares the fair value of the reporting unit with its carrying amount. The Company estimates fair value using the discounted cash flows model, under the income approach, which indicates the fair value of the reporting unit based on the present value of the cash flows that the Company expects the reporting unit to generate in the future. The Company's significant estimates in the discounted cash flows model include: the Company's weighted average cost of capital, long-term rate of growth and profitability of the reporting unit's business, and working capital effects. If the carrying amount of a reporting unit exceeds its fair value, goodwill is impaired to the extent that the carrying value exceeds the fair value of the reporting unit. The Company performs its annual impairment testing in the fourth quarter of each fiscal year. No goodwill impairments were recorded during Fiscal 2024, Fiscal 2023, Fiscal 2021 or the Transition Period. During Fiscal 2024, the Company recorded a \$0.6 million indefinite lived intangible asset impairment charge within selling, general and administrative expenses on the Consolidated Statements of Operations and as a reduction to the related asset balances on the Consolidated Balance Sheets. The indefinite lived intangible asset impairment charge for Fiscal 2024 is included within the Company's Latin America operating segment. No indefinite lived intangible impairments were recorded during Fiscal 2023, Fiscal 2021 or the Transition Period.

The Company continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. These factors may include a significant deterioration of operating results, changes in business plans, or changes in anticipated cash flows. When factors indicate that an asset should be evaluated for possible impairment, the Company reviews long-lived assets to assess recoverability from future operations using undiscounted cash flows. If future undiscounted cash flows are less than the carrying value, an impairment is recognized in earnings to the extent that the carrying value exceeds fair value.

During Fiscal 2024, the Company performed an impairment analysis on its long-lived assets, including retail stores at an individual store level and determined that certain long-lived assets had net carrying values that exceeded their estimated undiscounted future cash flows. Accordingly, the Company estimated the fair values of these long-lived assets based on their market rent assessments or discounted cash flows and compared these estimated fair values to the net carrying values. The significant estimates used in the fair value methodology, which are based on Level 3 inputs, include: the Company's expectations for future operations and projected cash flows, including net revenue, gross profit and operating expenses and market conditions, including estimated market rent. As a result, the Company recorded \$5.6 million of long-lived asset impairment charges within selling, general and administrative expenses on the Consolidated Statements of Operations and as a reduction to the related asset balances on the Consolidated Balance Sheets. The long-lived asset impairment charges for Fiscal 2024 are included within the Company's operating segments as follows: \$1.7 million recorded in North America, \$3.6 million recorded in EMEA and \$0.3 million recorded in Asia-Pacific.

During Fiscal 2023, the Company recorded \$2.0 million of long-lived asset impairment charges within selling, general and administrative expenses on the Consolidated Statements of Operations and as a reduction to the related asset balances on the Consolidated Balance Sheets.

During Fiscal 2021, the Company recorded \$2.0 million of long-lived asset impairment charges within selling, general and administrative expenses on the Consolidated Statements of Operations and as a reduction to the related asset balances on the Consolidated Balance Sheets. Additionally, in connection with the Company's 2020 restructuring plan, the Company recognized \$1.7 million of long-lived asset impairment charges related to the Company's New York City flagship store. There were no impairment charges taken during the Transition Period.

Accrued Expenses

Accrued expenses consisted of the following:

	As of March 31, 2024	As of March 31, 2023
Accrued compensation and benefits	\$ 68,149	\$ 66,742
Accrued marketing	35,233	38,096
Accrued royalties	12,579	25,415
Accrued taxes	22,162	26,297
Forward currency contract liabilities	18,242	28,067
Other	131,488	181,913
Total Accrued Expenses	<u>\$ 287,853</u>	<u>\$ 366,530</u>

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606 "Revenue from Contracts with Customers". Net revenues primarily consist of net sales of apparel, footwear and accessories, license revenues and revenues from digital subscriptions, advertising and other digital business.

The Company recognizes revenue when it satisfies its performance obligations by transferring control of promised products or services to its customers, which occurs either at a point in time or over time, depending on when the customer obtains the ability to direct the use of and obtain substantially all of the remaining benefits from the products or services. The amount of revenue recognized considers terms of sale that create variability in the amount of consideration that the Company ultimately expects to be entitled to in exchange for the products or services and is subject to an overall constraint that a significant revenue reversal will not occur in future periods. Sales taxes imposed on the Company's revenues from product sales are presented on a net basis on the Consolidated Statements of Operations, and therefore do not impact net revenues or costs of goods sold.

Revenue transactions associated with the sale of apparel, footwear, and accessories, comprise a single performance obligation, which consists of the sale of products to customers either through wholesale or direct-to-consumer channels. The Company satisfies the performance obligation and records revenues when transfer of control has passed to the customer, based on the terms of sale. In the Company's wholesale channel, transfer of control is based upon shipment under free on board shipping point for most goods or upon receipt by the customer depending on the country of the sale and the agreement with the customer. The Company may also ship product directly from its supplier to wholesale customers and recognize revenue when the product is delivered to and accepted by the customer. In the Company's direct-to-consumer channel, transfer of control takes place at the point of sale for Brand and Factory House customers and upon shipment to substantially all e-commerce customers. Payment terms for wholesale transactions are established in accordance with local and industry practices. Payment is generally required within 30 to 60 days of shipment to or receipt by the wholesale customer in the United States, and generally within 60 to 90 days of shipment to or receipt by the wholesale customer internationally. From time to time, based on market circumstances, the Company does grant certain customers with longer than average payment terms. Payment is generally due at the time of sale for direct-to-consumer transactions.

Gift cards issued to customers by the Company are recorded as contract liabilities until they are redeemed, at which point revenue is recognized. During the year-ended March 31, 2023, the Company completed an assessment of its process for estimating revenue recognized for gift card balances not expected to be redeemed ("breakage"). Based on the assessment, which included analyzing historical gift card redemption data, the Company determined that substantially all of its gift cards are redeemed within 24 months of issuance, and after 24 months the likelihood of a gift card being redeemed is remote. Therefore, to the extent that it does not have a legal obligation to remit the value of such unredeemed gift cards to the relevant jurisdiction as unclaimed or abandoned property, the Company recognizes gift card breakage at that time when the likelihood of the gift card being redeemed is remote, which the Company has determined to be 24 months following its issuance.

The Company offers customer loyalty programs in which customers earn points based on purchases and other promotional activities that can be redeemed for discounts on future purchases or other rewards. A contract liability is estimated based on the standalone selling price of benefits earned by customers through the programs and the related redemption experience under the programs. The value of each point earned is recorded as deferred revenue and is included within accrued expenses on the Consolidated Balance Sheets.

Revenue from the Company's licensing arrangements is recognized over time during the period that licensees are provided access to the Company's trademarks and benefit from such access through their sales of licensed products. These arrangements require licensees to pay a sales-based royalty, which for most arrangements may be subject to a contractually guaranteed minimum royalty amount. Payments are generally due quarterly. The Company recognizes revenue for sales-based royalty arrangements (including those for which the royalty exceeds any contractually guaranteed minimum royalty amount) as licensed products are sold by the licensee. If a sales-based royalty is not ultimately expected to exceed a contractually guaranteed minimum royalty amount, the minimum is recognized as revenue over the contractual period, if all other criteria of revenue recognition have been met. This sales-based output measure of progress and pattern of recognition best represents the value transferred to the licensee over the term of the arrangement, as well as the amount of consideration that the Company is entitled to receive in exchange for providing access to its trademarks.

Revenue from digital subscriptions is recognized on a gross basis and is recognized over the term of the subscription. The Company receives payments in advance of revenue recognition for subscriptions and these payments are recorded as contract liabilities in the Company's Consolidated Balance Sheets. Commissions related to subscription revenue are capitalized and recognized over the subscription period, which are included in selling,

general and administrative expense in the Consolidated Statements of Operations. Revenue from digital advertising is recognized as the Company satisfies performance obligations pursuant to customer insertion orders.

The Company records reductions to revenue for estimated customer returns, allowances, markdowns, and discounts. The Company bases its estimates on historical rates of customer returns and allowances as well as the specific identification of outstanding returns, markdowns and allowances that have not yet been received by the Company. The actual amount of customer returns and allowances, which is inherently uncertain, may differ from the Company's estimates. If the Company determines that actual or expected returns or allowances are significantly higher or lower than the reserves it established, it would record a reduction or increase, as appropriate, to net sales in the period in which it makes such a determination. Provisions for customer specific discounts are based on negotiated arrangements with certain major customers. Reserves for returns, allowances, markdowns, and discounts are included within customer refund liability and the value of inventory associated with reserves for sales returns are included within prepaid expenses and other current assets on the Consolidated Balance Sheets. At a minimum, the Company reviews and refines these estimates on a quarterly basis.

The Company has made a policy election to account for shipping and handling activities that occur after the customer has obtained control of a good as a fulfillment cost rather than an additional promised service. Additionally, the Company has elected not to disclose certain information related to unsatisfied performance obligations for subscriptions for its MMR platforms, as they have an original expected length of one year or less.

Shipping and Handling Costs

The Company charges customers shipping and handling fees based on contractual terms, which are recorded in net revenues. The Company incurs freight costs associated with shipping goods to customers. These costs are recorded as a component of cost of goods sold.

The Company also incurs outbound handling costs associated with preparing goods to ship to customers and certain costs to operate the Company's distribution facilities. These costs are recorded as a component of selling, general and administrative expenses. For Fiscal 2024, these costs totaled \$79.8 million (Fiscal 2023: \$79.5 million; Fiscal 2021: \$82.9 million; Transition Period: \$17.3 million).

Advertising Costs

Advertising costs are charged to selling, general and administrative expenses. Advertising production costs are expensed the first time an advertisement related to such production costs is run. Media placement costs are expensed in the month during which the advertisement appears, and costs related to event sponsorships are expensed when the event occurs. In addition, advertising costs include sponsorship expenses. Accounting for sponsorship payments is based upon specific contract provisions and the payments are generally expensed uniformly over the term of the contract after recording expense related to specific performance incentives once they are deemed probable. Advertising expense, including amortization of in-store marketing fixtures and displays, was \$568.5 million for Fiscal 2024 (Fiscal 2023: \$620.3 million; Fiscal 2021: \$649.2 million; Transition Period: \$173.2 million). As of March 31, 2024, prepaid advertising costs were \$16.9 million (March 31, 2023: \$39.3 million).

Income Taxes

In accordance with ASC Topic 740 "Income Taxes," income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities at tax rates expected to be in effect when such assets or liabilities are realized or settled. Deferred income tax assets are reduced by valuation allowances when necessary. The Company has made the policy election to record any liability associated with Global Intangible Low Tax Income ("GILTI") in the period in which it is incurred.

Income taxes include the largest amount of tax benefit for an uncertain tax position that is more likely than not to be sustained upon audit based on the technical merits of the tax position. Settlements with tax authorities, the expiration of statutes of limitations for particular tax positions or obtaining new information on particular tax positions may cause a change to the effective tax rate. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes line on the Consolidated Statements of Operations.

Assessing whether deferred tax assets are realizable requires significant judgment. The Company considers all available positive and negative evidence, including historical operating performance and expectations of future operating performance. The ultimate realization of deferred tax assets is often dependent upon future taxable income and therefore can be uncertain. To the extent the Company believes it is more likely than not that all or some portion of the asset will not be realized, valuation allowances are established against the Company's deferred tax assets, which increase income tax expense in the period when such a determination is made.

Each reporting date, the Company considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. As of March 31, 2024, for U.S. states and certain foreign taxing jurisdictions, the Company believes the weight of the negative evidence continues to outweigh the positive evidence regarding the realization of these deferred tax assets and have maintained a valuation allowance against these assets. The Company will continue to evaluate its ability to realize its net deferred tax assets on a quarterly basis.

Earnings per Share

Basic earnings per common share is computed by dividing net income available to common stockholders for the period by the weighted average number of common shares outstanding during the period. Any stock-based compensation awards that are determined to be participating securities, which are stock-based compensation awards that entitle the holders to receive dividends prior to vesting, are included in the calculation of basic earnings per share using the two class method. Diluted earnings per common share is computed by dividing net income available to common stockholders for the period by the diluted weighted average common shares outstanding during the period. Diluted earnings per share reflects the potential dilution from common shares issuable through stock options, warrants, restricted stock units, other equity awards and the Company's 1.50% convertible senior notes due 2024. Refer to Note 18 of these Consolidated Financial Statements for a further discussion of earnings per share.

Equity Method Investment

The Company has a common stock investment of 29.5% in its Japanese licensee. The Company accounts for its investment in its licensee under the equity method, given it has the ability to exercise significant influence, but not control, over the entity. The Company recorded its allocable share of its Japanese licensee's net income (loss) of \$(0.3) million for Fiscal 2024, (Fiscal 2023: \$(2.5) million; Fiscal 2021: \$1.8 million; Transition Period: \$0.9 million) within income (loss) from equity method investment on the Consolidated Statements of Operations and as an adjustment to the invested balance within other long term assets on the Consolidated Balance Sheets. As of March 31, 2024, there was no carrying value associated with the Company's investment in its Japanese licensee (March 31, 2023: \$0.3 million).

In connection with the license agreement with the Japanese licensee, the Company recorded license revenues of \$34.8 million for Fiscal 2024 (Fiscal 2023: \$36.8 million; Fiscal 2021: \$42.4 million; Transition Period: \$9.9 million). As of March 31, 2024, the Company had \$13.9 million in licensing receivables outstanding, recorded in the prepaid expenses and other current assets line item within the Company's Consolidated Balance Sheets (March 31, 2023: \$7.6 million).

As part of the Company's acquisition of Triple Pte. Ltd., the Company assumed 49.5% of common stock ownership in UA Sports (Thailand) Co., Ltd. ("UA Sports Thailand"). The Company accounts for its investment in UA Sports Thailand under the equity method, given it has the ability to exercise significant influence, but not control, over UA Sports Thailand. For Fiscal 2024, the Company recorded the allocable share of UA Sports Thailand's net income (loss) of \$0.3 million (Fiscal 2023: \$0.8 million; Fiscal 2021: \$(0.6) million; Transition Period: \$(0.2) million) within income (loss) from equity method investment on the Consolidated Statements of Operations and as an adjustment to the invested balance within other long term assets on the Consolidated Balance Sheets. As of March 31, 2024, the carrying value of the Company's investment in UA Sports Thailand was \$4.7 million (March 31, 2023: \$5.9 million).

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC Topic 718 "Compensation - Stock Compensation", which requires all stock-based compensation awards granted to be measured at fair value and recognized as an expense in the financial statements over the service period. In addition, this guidance requires that excess tax benefits related to stock-based compensation awards be reflected as operating cash flows.

The Company uses the Black-Scholes option-pricing model to estimate the fair market value of stock option awards and grant date fair value for other awards. The Company uses the "simplified method" to estimate the expected life of options, as permitted by accounting guidance. The "simplified method" calculates the expected life of a stock option equal to the time from grant to the midpoint between the vesting date and contractual term, taking into account all vesting tranches. The risk free interest rate is based on the yield for the U.S. Treasury bill with a maturity equal to the expected life of the stock option. Expected volatility is based on the Company's historical average. Compensation expense is recognized net of forfeitures on a straight-line basis over the total vesting period, which is the implied requisite service period. Compensation expense for performance-based awards is recorded over the implied requisite service period when achievement of the performance target is deemed probable.

The Company issues new shares of Class A Common Stock and Class C Common Stock upon exercise of stock options, grant of restricted stock or share unit conversion. Refer to Note 14 of these Consolidated Financial Statements for further details on stock-based compensation.

Fair Value of Financial Instruments

The carrying amounts shown for the Company's cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short term maturity of those instruments. The fair value of the Company's other long term debt approximates its carrying value based on the variable nature of interest rates and current market rates available to the Company. The fair value of a foreign currency contract is based on the net difference between the U.S. dollars to be received or paid at the contracts' settlement date and the U.S. dollar value of the foreign currency to be sold or purchased at the current exchange rate. The fair value of an interest rate swap contract is based on the net difference between the fixed interest to be paid and variable interest to be received over the term of the contract based on current market rates.

Derivatives and Hedging Activities

The Company uses derivative financial instruments in the form of foreign currency and interest rate swap contracts to minimize the risk associated with foreign currency exchange rate and interest rate fluctuations. The Company accounts for derivative financial instruments in accordance with ASC Topic 815 "Derivatives and Hedging". This guidance establishes accounting and reporting standards for derivative financial instruments and requires all derivatives to be recognized as either assets or liabilities on the balance sheet and to be measured at fair value. Unrealized derivative gain positions are recorded as other current assets or other long term assets, and unrealized derivative loss positions are recorded as other current liabilities or other long term liabilities, depending on the derivative financial instrument's maturity date.

For contracts designated as cash flow hedges, changes in fair value are reported as other comprehensive income and are recognized in current earnings in the period or periods during which the hedged transaction affects current earnings. One of the criteria for this accounting treatment is the notional value of these derivative contracts should not be in excess of specifically identified anticipated transactions. By their very nature, the Company's estimates of the anticipated transactions may fluctuate over time and may ultimately vary from actual transactions. When anticipated transaction estimates or actual transaction amounts decline below hedged levels, or if it is no longer probable a forecasted transaction will occur by the end of the originally specified time period or within an additional two-month period of time, the Company is required to reclassify the cumulative change in fair value of the over-hedged portion of the related hedge contract from Other comprehensive income (loss) to Other expense, net during the period in which the decrease occurs. The Company does not enter into derivative financial instruments for speculative or trading purposes.

Foreign Currency Translation and Transactions

The functional currency for each of the Company's wholly owned foreign subsidiaries is generally the applicable local currency. In accordance with ASC Topic 830 "Foreign Currency Matters", the translation of foreign currencies into U.S. dollars is performed for assets and liabilities using current foreign currency exchange rates in effect at the balance sheet date and for revenue and expense accounts using average foreign currency exchange rates during the period. Capital accounts are translated at historical foreign currency exchange rates. Translation gains and losses are included in stockholders' equity as a component of accumulated other comprehensive income. Adjustments that arise from foreign currency exchange rate changes on transactions, primarily driven by intercompany transactions, denominated in a currency other than the functional currency are included in other expense, net on the Consolidated Statements of Operations.

Recently Adopted Account Pronouncements

The Company assesses the applicability and impact of all Accounting Standard Updates ("ASUs") issued by the Financial Accounting Standards Board ("FASB"). The following ASU was adopted during Fiscal 2024.

Supplier Finance Programs

In September 2022, the FASB issued ASU 2022-04 "Liabilities - Supplier Finance Programs (Subtopic 405-50)" ("ASU 2022-04") which requires entities to disclose the key terms of supplier finance programs used in connection with the purchase of goods and services along with information about their obligations under these programs, including a rollforward of those obligations. The Company adopted ASU 2022-04 on April 1, 2023 on a retrospective basis, except for the amendments relating to the rollforward requirement, which was adopted on April 1, 2024 on a prospective basis. The adoption did not have a material impact on the Company's Consolidated

Financial Statements. Refer to Note 8 of these Consolidated Financial Statements for a discussion of the Company's supply chain finance program.

Recently Issued Accounting Pronouncements

The Company assessed all recently issued ASUs and, other than those described below, determined them to be either not applicable or expected to have no material impact on its consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU 2023-07 "Improvements to Reportable Segment Disclosures" ("ASU 2023-07"), which requires expanded disclosures about an entity's reportable segments, including more enhanced information about a reportable segment's expenses, interim segment profit or loss, and how an entity's chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. ASU 2023-07 should be adopted on a retrospective basis. Early adoption is permitted. The Company is currently evaluating this ASU to determine the impact of adoption on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09 "Improvements to Income Tax Disclosures" ("ASU 2023-09"), which requires expanded income tax disclosures primarily related to an entity's effective tax rate reconciliation and income taxes paid. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 and should be adopted on a prospective basis. Early adoption is permitted. The Company is currently evaluating this ASU to determine the impact of adoption on its consolidated financial statements and related disclosures.

NOTE 3. ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company's allowance for doubtful accounts was established with information available as of March 31, 2024, including reasonable and supportable estimates of future risk. The following table illustrates the activity in the Company's allowance for doubtful accounts:

	Allowance for doubtful accounts - within accounts receivable, net	Allowance for doubtful accounts - within prepaid expenses and other current assets ⁽¹⁾
Balance as of March 31, 2022	\$ 7,113	\$ 7,029
Increases to costs and expenses	5,193	—
Write-offs, net of recoveries	(1,493)	(6,802)
Balance as of March 31, 2023	\$ 10,813	\$ 227
Increases to costs and expenses	6,061	—
Write-offs, net of recoveries	(1,880)	—
Balance as of March 31, 2024	\$ 14,994	\$ 227

⁽¹⁾ Includes an allowance pertaining to a royalty receivable.

NOTE 4. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following:

	As of March 31, 2024		As of March 31, 2023	
Leasehold and tenant improvements	\$	495,181	\$	462,721
Furniture, fixtures and displays		301,897		289,539
Buildings		68,230		48,632
Software		350,811		342,017
Office equipment		139,223		132,301
Plant equipment		178,316		178,194
Land		82,410		83,626
Construction in progress ⁽¹⁾		175,960		138,069
Other		28,910		21,613
Subtotal property and equipment		1,820,938		1,696,712
Accumulated depreciation		(1,156,435)		(1,051,878)
Property and equipment, net	\$	664,503	\$	644,834

⁽¹⁾ Construction in progress primarily includes costs incurred for construction of corporate offices, leasehold improvements and in-store fixtures and displays not yet placed in use.

Depreciation expense related to property and equipment was \$136.6 million for Fiscal 2024 (Fiscal 2023: \$133.6 million; Fiscal 2021: \$139.2 million; Transition Period: \$34.5 million).

NOTE 5. LEASES

The Company enters into operating leases domestically and internationally to lease certain warehouse space, office facilities, space for its Brand and Factory House stores, and certain equipment under non-cancelable operating leases. The leases expire at various dates through 2038, excluding extensions at the Company's option, and include provisions for rental adjustments. Short-term lease payments were not material for Fiscal 2024, Fiscal 2023, Fiscal 2021, or the Transition Period.

Lease Costs and Other Information

The Company recognizes lease expense on a straight-line basis over the lease term. The following table illustrates operating and variable lease costs, included in selling, general and administrative expenses and certain costs relating to lease assets held solely for sublet purposes, included in other income (expense), net within the Company's Consolidated Statement of Operations, for the periods indicated:

	Year Ended March 31, 2024		Year Ended March 31, 2023		Three Months Ended March 31, 2022 (Transition Period)		Year Ended December 31, 2021	
Operating lease costs	\$	151,035	\$	141,025	\$	36,699	\$	142,965
Variable lease costs	\$	82,389	\$	78,529	\$	19,150	\$	67,427

Historically, amounts disclosed for variable lease costs primarily consisted of lease payments dependent on sales in Brand and Factory House stores. Amounts included in the table above, for both current and prior periods, have been revised to also include other non-lease components payable to the lessor. Additionally, certain amounts previously disclosed as operating lease costs in error have been corrected to be classified as variable lease costs. This presentation change did not affect total lease related costs recorded within the Company's Consolidated Statement of Operations.

There are no residual value guarantees that exist, and there are no restrictions or covenants imposed by leases. The Company also subleases certain excess office facilities and warehouse space to third parties. Sublease income is not material.

The weighted average remaining lease term and discount rate for the periods indicated below were as follows:

	As of March 31, 2024	As of March 31, 2023
Weighted average remaining lease term (in years)	7.62	8.03
Weighted average discount rate	4.95 %	4.69 %

Supplemental Cash Flow Information

The following table presents supplemental information relating to cash flow arising from lease transactions:

	Year Ended March 31, 2024	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021
Operating cash outflows from operating leases	\$ 180,319	\$ 167,774	\$ 43,903	\$ 177,391
Leased assets obtained in exchange for new operating lease liabilities	\$ 57,962	\$ 181,080	\$ (892)	\$ 28,244

Maturity of Lease Liabilities

The following table presents the future minimum lease payments under the Company's operating lease liabilities as of March 31, 2024:

Fiscal year ending March 31,	
2025	\$ 172,483
2026	143,651
2027	120,568
2028	102,301
2029	68,483
2030 and thereafter	309,830
Total lease payments	\$ 917,316
Less: Interest	150,320
Total present value of lease liabilities	\$ 766,996

As of March 31, 2024, the Company has additional operating lease obligations that have not yet commenced of approximately \$88.3 million, which are not reflected in the table above. This amount includes approximately \$58.9 million relating to an agreement entered into during Fiscal 2024 with a new third-party logistics provider to operate a distribution center in the Netherlands, which has been assessed as containing a lease and is expected to commence in February 2026.

NOTE 6. GOODWILL

The following table summarizes changes in the carrying amount of the Company's goodwill by reportable segment as of the periods indicated:

	North America	EMEA	Asia-Pacific	Latin America	Total
Balance as of March 31, 2022	\$ 301,371	\$ 105,053	\$ 85,084	\$ —	\$ 491,508
Effect of currency translation adjustment	—	(3,957)	(5,559)	—	(9,516)
Balance as of March 31, 2023	\$ 301,371	\$ 101,096	\$ 79,525	\$ —	\$ 481,992
Effect of currency translation adjustment	—	862	(4,552)	—	(3,690)
Balance as of March 31, 2024	\$ 301,371	\$ 101,958	\$ 74,973	\$ —	\$ 478,302

There were no goodwill impairments recorded during Fiscal 2024, Fiscal 2023, or the Transition Period.

NOTE 7. INTANGIBLE ASSETS, NET

The following tables summarize the Company's intangible assets as of the periods indicated:

	Useful Lives from Date of Acquisitions (in years)	As of March 31, 2024		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:				
Customer relationships	2-6	\$ 8,609	\$ (5,708)	\$ 2,901
Lease-related intangible assets	1-15	1,756	(1,677)	79
Total		<u>\$ 10,365</u>	<u>\$ (7,385)</u>	<u>\$ 2,980</u>
Indefinite-lived intangible assets ⁽¹⁾				4,020
Intangible assets, net				<u>\$ 7,000</u>

⁽¹⁾ During Fiscal 2024, the Company recorded an impairment charge of \$0.6 million within selling, general and administrative expenses and as a reduction to indefinite-lived intangible asset.

	Useful Lives from Date of Acquisitions (in years)	As of March 31, 2023		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:				
Technology	5-7	\$ 2,536	\$ (2,503)	\$ 33
Customer relationships	2-6	8,711	(4,377)	4,334
Lease-related intangible assets	1-15	1,664	(1,542)	122
Total		<u>\$ 12,911</u>	<u>\$ (8,422)</u>	<u>\$ 4,489</u>
Indefinite-lived intangible assets				4,451
Intangible assets, net				<u>\$ 8,940</u>

Amortization expense, which is included in selling, general and administrative expenses, was \$1.5 million for Fiscal 2024 (Fiscal 2023: \$1.9 million; Fiscal 2021: \$2.0 million; Transition Period: \$0.5 million).

During Fiscal 2024, the Company reduced the gross carrying amount and related accumulated amortization of technology assets by \$2.5 million as a result of such assets being fully amortized.

The following is the estimated future amortization expense for the Company's intangible assets as of March 31, 2024:

Fiscal year ending March 31,	
2025	\$ 1,549
2026	1,422
2027	9
2028	—
2029	—
2030 and thereafter	—
Total amortization expense of intangible assets	<u>\$ 2,980</u>

NOTE 8. SUPPLY CHAIN FINANCE PROGRAM

The Company facilitates a supply chain finance program, administered through third party platforms, which provides participating suppliers with the opportunity to finance payments due from the Company with certain third-party financial institutions. Participating suppliers may, at their sole discretion, elect to finance one or more invoices of the Company prior to their scheduled due dates at a discounted price with the participating financial institution.

The Company's obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by the supplier's decision to finance amounts under these arrangements. As such, the outstanding

payment obligations under the Company's supply chain financing program are included within Accounts Payable in the Consolidated Balance Sheets and within operating activities in the Consolidated Statement of Cash Flows.

The Company's outstanding payment obligations under this program were \$159.4 million as of March 31, 2024 (March 31, 2023: \$250.8 million).

NOTE 9. CREDIT FACILITY AND OTHER LONG-TERM DEBT

The Company's outstanding debt consisted of the following:

	As of March 31, 2024	As of March 31, 2023
1.50% Convertible Senior Notes due 2024	\$ 80,919	\$ 80,919
3.25% Senior Notes due 2026	600,000	600,000
Total principal payments due	680,919	680,919
Unamortized debt discount on Senior Notes	(560)	(814)
Unamortized debt issuance costs - Convertible Senior Notes	(16)	(267)
Unamortized debt issuance costs - Senior Notes	(1,189)	(1,728)
Unamortized debt issuance costs - Credit facility	(3,362)	(3,632)
Total amount outstanding	<u>675,792</u>	<u>674,478</u>
Less:		
Current portion of long-term debt:		
1.50% Convertible Senior Notes due 2024	80,919	—
Non-current portion of long-term debt	<u>\$ 594,873</u>	<u>\$ 674,478</u>

Credit Facility

On March 8, 2019, the Company entered into an amended and restated credit agreement by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders and arrangers party thereto (the "credit agreement"). In March 2024, the Company entered into the fourth amendment to the credit agreement (the credit agreement as amended, the "amended credit agreement" or the "revolving credit facility"). The amended credit agreement provides for an aggregate \$1.1 billion of revolving credit commitments comprised of two tranches: (i) one tranche of \$50 million that has a term that ends on December 3, 2026, and (ii) a second tranche of \$1.05 billion that has a term that ends on December 3, 2027, in each case with permitted extensions under certain circumstances. As of March 31, 2024 and March 31, 2023, there were no amounts outstanding under the revolving credit facility.

At the Company's request and a lender's consent, commitments under the amended credit agreement may be increased by up to \$300.0 million in aggregate, subject to certain conditions as set forth in the amended credit agreement. Incremental borrowings are uncommitted and the availability thereof will depend on market conditions at the time the Company seeks to incur such borrowings.

Borrowings, if any, under the revolving credit facility have maturities of less than one year. Up to \$50.0 million of the facility may be used for the issuance of letters of credit. As of March 31, 2024, \$4.2 million of letters of credit were outstanding (March 31, 2023: \$4.4 million).

The obligations of the Company under the amended credit agreement are guaranteed by certain domestic significant subsidiaries of Under Armour, Inc., subject to customary exceptions (the "subsidiary guarantors") and primarily secured by a first-priority security interest in substantially all of the assets of Under Armour, Inc. and the subsidiary guarantors, excluding real property, capital stock in and debt of subsidiaries of Under Armour, Inc. holding certain real property and other customary exceptions. The amended credit agreement provides for the permanent fall away of guarantees and collateral upon the Company's achievement of investment grade rating from two rating agencies.

The amended credit agreement contains negative covenants that, subject to significant exceptions, limit the Company's ability to, among other things: incur additional secured and unsecured indebtedness; pledge the assets as security; make investments, loans, advances, guarantees and acquisitions (including investments in and loans to

non-guarantor subsidiaries); undergo fundamental changes; sell assets outside the ordinary course of business; enter into transactions with affiliates; and make restricted payments.

The Company is also required to maintain a ratio of consolidated EBITDA, to consolidated interest expense of not less than 3.50 to 1.0 (the "interest coverage covenant") and the Company is not permitted to allow the ratio of consolidated total indebtedness to consolidated EBITDA to be greater than 3.25 to 1.0 (the "leverage covenant"), as described in more detail in the amended credit agreement. As of March 31, 2024, the Company was in compliance with the applicable covenants.

In addition, the amended credit agreement contains events of default that are customary for a facility of this nature, and includes a cross default provision whereby an event of default under other material indebtedness, as defined in the amended credit agreement, will be considered an event of default under the amended credit agreement.

The amended credit agreement implemented SOFR as the replacement for LIBOR as a benchmark interest rate for U.S. dollar borrowings (and analogous benchmark rate replacements for borrowings in Yen, Pound Sterling and Euro). Borrowings under the amended credit agreement bear interest at a rate per annum equal to, at the Company's option, either (a) an alternate base rate (for borrowings in U.S. dollars), (b) a term rate (for borrowings in U.S. dollars, Euro or Japanese Yen) or (c) a "risk free" rate (for borrowings in U.S. dollars or Pounds Sterling), plus in each case an applicable margin. The applicable margin for loans will be adjusted by reference to a grid (the "pricing grid") based on the leverage ratio of consolidated total indebtedness to consolidated EBITDA and ranges between 1.00% to 1.75% (or, in the case of alternate base loans, 0.00% to 0.75%). The Company will also pay a commitment fee determined in accordance with the pricing grid on the average daily unused amount of the revolving credit facility and certain fees with respect to letters of credit. As of March 31, 2024, the commitment fee was 15.0 basis points.

1.50% Convertible Senior Notes

The Company has approximately \$80.9 million aggregate principal amount of 1.50% convertible senior notes due 2024 (the "Convertible Senior Notes") outstanding as of March 31, 2024, which were issued in May 2020. The Convertible Senior Notes bear interest at the fixed rate of 1.50% per annum, payable semiannually in arrears on June 1 and December 1 of each year, beginning December 1, 2020. The Convertible Senior Notes will mature on June 1, 2024, unless earlier converted in accordance with their terms, redeemed in accordance with their terms or repurchased. Upon maturity, the Company currently expects to repay the remaining approximately \$80.9 million aggregate principal amount of the Convertible Senior Notes outstanding, plus accrued and unpaid interest, using cash on hand.

The Convertible Senior Notes are not secured and are not guaranteed by any of the Company's subsidiaries. The indenture governing the Convertible Senior Notes does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by the Company or any of its subsidiaries.

The Convertible Senior Notes are convertible into cash, shares of the Company's Class C Common Stock or a combination of cash and shares of Class C Common Stock, at the Company's election, as described further below. The initial conversion rate is 101.8589 shares of the Company's Class C Common Stock per \$1,000 principal amount of Convertible Senior Notes (equivalent to an initial conversion price of approximately \$9.82 per share of Class C Common Stock), subject to adjustment if certain events occur. Prior to the close of business on the business day immediately preceding January 1, 2024, holders held rights to (at their option) convert their Convertible Senior Notes only upon satisfaction of one or more specific conditions. As of March 31, 2024, no holder had exercised these rights. On or after January 1, 2024, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their Convertible Senior Notes at the conversion rate at any time irrespective of the foregoing conditions.

Beginning on December 6, 2022, the Company may redeem for cash all or any part of the Convertible Senior Notes, at its option, if the last reported sale price of the Company's Class C Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption at a redemption price equal to 100% of the aggregate principal amount of the Convertible Senior Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

If the Company undergoes a fundamental change (as defined in the indenture governing the Convertible Senior Notes) prior to the maturity date, subject to certain conditions, holders may require the Company to

repurchase for cash all or any portion of their Convertible Senior Notes in principal amounts of \$1,000 or an integral multiple thereof at a price which will be equal to 100% of the aggregate principal amount of the Convertible Senior Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

Concurrently with the offering of the Convertible Senior Notes, the Company entered into privately negotiated capped call transactions with JPMorgan Chase Bank, National Association, HSBC Bank USA, National Association, and Citibank, N.A. (the "option counterparties"). The capped call transactions are expected generally to reduce potential dilution to the Company's Class C Common Stock upon any conversion of Convertible Senior Notes and/or offset any cash payments the Company is required to make in excess of the aggregate principal amount of converted Convertible Senior Notes upon any conversion thereof, as the case may be, with such reduction and/or offset subject to a cap based on the cap price. The cap price of the capped call transactions is initially \$13.4750 per share of the Company's Class C Common Stock, representing a premium of 75% above the last reported sale price of the Company's Class C Common Stock on May 21, 2020, and is subject to certain adjustments under the terms of the capped call transactions.

3.250% Senior Notes

In June 2016, the Company issued \$600.0 million aggregate principal amount of 3.250% senior unsecured notes due June 15, 2026 (the "Senior Notes"). The Senior Notes bear interest at the fixed rate of 3.250% per annum, payable semi-annually on June 15 and December 15 beginning December 15, 2016. The Company may redeem some or all of the Senior Notes at any time, or from time to time, at redemption prices described in the indenture governing the Senior Notes. The indenture governing the Senior Notes contains negative covenants that limit the Company's ability to engage in certain transactions and are subject to material exceptions described in the indenture. The Company incurred and deferred \$5.4 million in financing costs in connection with the Senior Notes.

Interest Expense

Interest expense, which includes amortization of deferred financing costs, bank fees, capital and built-to-suit lease interest and interest expense under the credit and other long-term debt facilities, was \$22.8 million for Fiscal 2024 (Fiscal 2023: \$24.1 million; Fiscal 2021: \$45.7 million; Transition Period: \$6.6 million).

Maturity of Long-Term Debt

The following are the scheduled maturities of long-term debt as of March 31, 2024:

Fiscal year ending March 31,		
2025	\$	80,919
2026		—
2027		600,000
2028		—
2029		—
2030 and thereafter		—
Total scheduled maturities of long-term debt	\$	680,919
Current maturities of long-term debt	\$	80,919

The Company monitors the financial health and stability of its lenders under the credit and other long-term debt facilities, however during any period of significant instability in the credit markets, lenders could be negatively impacted in their ability to perform under these facilities.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Sports Marketing and Other Commitments

Within the normal course of business, the Company enters into contractual commitments in order to promote the Company's brand and products. These commitments include sponsorship agreements with teams and athletes on the collegiate and professional levels, official supplier agreements, athletic event sponsorships and other marketing commitments. The following is a schedule of the Company's future minimum payments under its sponsorship and other marketing agreements as of March 31, 2024:

Fiscal year ending March 31,		
2025	\$	151,851
2026		62,269
2027		38,279
2028		32,814
2029		30,338
2030 and thereafter		116,156
Total future minimum sponsorship and other payments		\$ 431,707

The amounts listed above are the minimum compensation obligations and guaranteed royalty fees required to be paid under the Company's sponsorship and other marketing agreements. The amounts listed above do not include additional performance incentives and product supply obligations provided under the agreements. It is not possible to determine how much the Company will spend on product supply obligations on an annual basis as contracts generally do not stipulate specific cash amounts to be spent on products. The amount of product provided to the sponsorships depends on many factors including general playing conditions, the number of sporting events in which they participate and the Company's decisions regarding product and marketing initiatives. In addition, the costs to design, develop, source and purchase the products furnished to the endorsers are incurred over a period of time and are not necessarily tracked separately from similar costs incurred for products sold to customers.

Other

In connection with various contracts and agreements, the Company has agreed to indemnify counterparties against certain third party claims relating to the infringement of intellectual property rights and other items. Generally, such indemnification obligations do not apply in situations in which the counterparties are grossly negligent, engage in willful misconduct, or act in bad faith. Based on the Company's historical experience and the estimated probability of future loss, the Company has determined that the fair value of such indemnifications is not material to its consolidated financial position or results of operations.

From time to time, the Company is involved in litigation and other proceedings, including matters related to commercial and intellectual property disputes, as well as trade, regulatory and other claims related to its business. Other than as described below, the Company believes that all current proceedings are routine in nature and incidental to the conduct of its business. However, the matters described below, if decided adversely to or settled by the Company, could result, individually or in the aggregate, in a liability material to the Company's consolidated financial position, results of operations or cash flows.

In re Under Armour Securities Litigation

On March 23, 2017, three separate securities cases previously filed against the Company in the United States District Court for the District of Maryland (the "District Court") were consolidated under the caption *In re Under Armour Securities Litigation*, Case No. 17-cv-00388-RDB (the "Consolidated Securities Action"). On September 14, 2020, the District Court issued an order that, among other things, consolidated two additional securities cases into the Consolidated Securities Action.

The operative complaint (the "TAC") in the Consolidated Securities Action was filed on October 14, 2020. The TAC asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), against the Company and Mr. Plank and under Section 20A of the Exchange Act against Mr. Plank. The TAC alleges that the defendants supposedly concealed purportedly declining consumer demand for certain of the Company's products between the third quarter of 2015 and the fourth quarter of 2016 by making allegedly false and misleading statements regarding the Company's performance and future prospects and by engaging in undisclosed and allegedly improper sales and accounting practices, including shifting sales between quarterly periods allegedly to appear healthier. The TAC also alleges that the defendants purportedly failed to disclose that the Company was under investigation by and cooperating with the U.S. Department of Justice ("DOJ") and the U.S. Securities and Exchange Commission (the "SEC") since July 2017. The class period identified in the TAC is September 16, 2015 through November 1, 2019.

On July 23, 2021, the Company and Mr. Plank filed an answer to the TAC denying all allegations of wrongdoing and asserting affirmative defenses to the claims asserted in the TAC. On December 1, 2021, the plaintiffs filed a motion seeking, among other things, certification of the class they are seeking to represent in the Consolidated Securities Action. On September 29, 2022, the District Court granted the plaintiffs' class certification motion. Discovery in the Consolidated Securities Action concluded on August 31, 2023. On October 2, 2023, the Company and Mr. Plank filed a motion for summary judgment seeking an order dismissing the Consolidated

Securities Action with prejudice which motion was denied by the District Court on February 26, 2024. The District Court has scheduled trial to begin on July 15, 2024.

The Company continues to believe that the claims asserted in the Consolidated Securities Action are without merit and intends to defend this matter vigorously.

Consolidated Kenney Derivative Litigation

In June and July 2018, two purported stockholder derivative complaints were filed in Maryland state court (in cases captioned *Kenney v. Plank, et al.* (filed June 29, 2018) and *Luger v. Plank, et al.* (filed July 26, 2018), respectively). The cases were consolidated on October 19, 2018 under the caption *Kenney v. Plank, et. al.* The consolidated complaint in the Kenney action names Mr. Plank, certain other current and former members of the Company's Board of Directors, certain former Company executives, and Sagamore Development Company, LLC ("Sagamore") as defendants, and names the Company as a nominal defendant. The consolidated complaint asserts breach of fiduciary duty, unjust enrichment, and corporate waste claims against the individual defendants and asserts a claim against Sagamore for aiding and abetting certain of the alleged breaches of fiduciary duty. The consolidated complaint seeks damages on behalf of the Company and certain corporate governance related actions.

The consolidated complaint includes allegations challenging, among other things, the Company's disclosures related to growth and consumer demand for certain of the Company's products, as well as stock sales by certain individual defendants. The consolidated complaint also makes allegations related to the Company's 2016 purchase from entities controlled by Mr. Plank (through Sagamore) of certain parcels of land to accommodate the Company's growth needs, which was approved by the Audit Committee of the Company's Board of Directors in accordance with the Company's policy on transactions with related persons.

On March 29, 2019, the court in the Kenney action granted the Company's and the defendants' motion to stay that case pending the outcome of both the Consolidated Securities Action and an earlier-filed derivative action asserting similar claims to those asserted in the Kenney action relating to the Company's purchase of parcels in the Baltimore Peninsula, an area of Baltimore previously referred to as Port Covington (which derivative action has since been dismissed in its entirety).

Prior to the filing of the derivative complaints in *Kenney v. Plank, et al.* and *Luger v. Plank, et al.*, both of the purported stockholders had sent the Company's Board of Directors a letter demanding that the Company pursue claims similar to the claims asserted in the derivative complaints. Following an investigation, a majority of disinterested and independent directors of the Company determined that the claims should not be pursued by the Company and both of these purported stockholders were informed of that determination.

In 2020, two additional purported shareholder derivative complaints were filed in Maryland state court, in cases captioned *Cordell v. Plank, et al.* (filed August 11, 2020) and *Salo v. Plank, et al.* (filed October 21, 2020), respectively.

Prior to the filing of the derivative complaints in these two actions, neither of the purported stockholders made a demand that the Company's Board of Directors pursue the claims asserted in the complaints. In October 2021, the court issued an order (i) consolidating the Cordell and Salo actions with the consolidated Kenney action into a single consolidated derivative action (the "Consolidated Kenney Derivative Action"); (ii) designating the Kenney action as the lead case; and (iii) specifying that the scheduling order in the Kenney action shall control the Consolidated Kenney Derivative Action.

On October 27, 2023, an additional purported stockholder derivative complaint was filed in Maryland state court by four purported stockholders, in a case captioned *Viskovich, et al. v. Plank, et al.* (the "Viskovich Action"). Prior to the filing of this complaint, each of the four purported stockholders had sent the Company's Board of Directors a letter demanding that the Company pursue claims similar to the claims asserted in the derivative complaint. Following an investigation, a majority of disinterested and independent directors of the Company determined that the claims should not be pursued by the Company and these purported stockholders were informed of that determination. On March 18, 2024, all parties to the Viskovich Action filed a stipulation seeking, among other things, the issuance of an order consolidating the Viskovich Action into the Consolidated Kenney Derivative Action. On March 20, 2024, the court issued an order (i) consolidating the Viskovich Action into the Consolidated Kenney Derivative Action; (ii) designating the Kenney action as the lead case; and (iii) specifying that the scheduling order in the Kenney action shall control the Consolidated Kenney Derivative Action.

The Company believes that the claims asserted in the Consolidated Kenney Derivative Action are without merit and intends to defend this matter vigorously. However, because of the inherent uncertainty as to the outcome of this proceeding, the Company is unable at this time to estimate the possible impact of the outcome of this matter.

Consolidated Paul Derivative Litigation

On January 27, 2021, the District Court entered an order consolidating for all purposes four separate stockholder derivative cases that previously had been filed in the court. On February 2, 2023, the District Court issued an order appointing Balraj Paul and Anthony Viskovich as lead plaintiffs (“Derivative Lead Plaintiffs”), appointing counsel for the Derivative Lead Plaintiffs as lead counsel, and recaptioning the consolidated case as Paul et al. v. Plank et al. (the “Paul Derivative Action”). Prior to filing their derivative complaints, both of the Derivative Lead Plaintiffs had sent the Company’s Board of Directors a letter demanding that the Company pursue claims similar to the claims asserted in the derivative complaints. Following an investigation, a majority of disinterested and independent directors of the Company determined that the claims should not be pursued by the Company, and the Derivative Lead Plaintiffs were informed of that determination.

On March 16, 2023, the District Court issued an order granting a motion for voluntary dismissal without prejudice that had been filed by the plaintiff in one of the four derivative cases who had not been appointed as a lead plaintiff.

On April 24, 2023, the Derivative Lead Plaintiffs designated an operative complaint in the Paul Derivative Action. The operative complaint named Mr. Plank, certain other current and former members of the Company’s Board of Directors, and certain other current and former Company executives as defendants, and named the Company as a nominal defendant. It asserted allegations similar to those in the TAC filed in the Consolidated Securities Action matter discussed above, including allegations challenging (i) the Company’s disclosures related to growth and consumer demand for certain of the Company’s products; (ii) the Company’s practice of shifting sales between quarterly periods supposedly to appear healthier and its purported failure to disclose that practice; (iii) the Company’s internal controls with respect to revenue recognition and inventory management; and (iv) the Company’s supposed failure to timely disclose investigations by the SEC and DOJ. The operative complaint asserted breach of fiduciary duty and unjust enrichment claims against the defendants and asserted a contribution claim against certain defendants. The operative complaint sought damages on behalf of the Company and also sought certain corporate governance related actions.

The Company and the defendants filed a motion to dismiss the operative complaint on June 23, 2023. The District Court granted that motion on September 27, 2023, dismissing the Paul Derivative Action without prejudice, due to lack of subject matter jurisdiction. Following that decision, Viskovich, one of the Derivative Lead Plaintiffs, filed the above-referenced Viskovich Action in Maryland State Court.

The other Derivative Lead Plaintiff, Paul, filed a motion in the District Court seeking reconsideration of the dismissal decision or leave to amend the operative complaint. On January 9, 2024, the District Court entered an order denying Paul’s motion and ordering that the Paul Derivative Action remained dismissed without prejudice.

In February 2024, Paul filed a notice of appeal from the decisions by the District Court on September 27, 2023 and January 9, 2024. Briefing on the appeal began on April 24, 2024 and is not yet complete. The Company continues to believe that the claims asserted in the Paul Derivative Action are without merit and intends to defend this matter vigorously. However, because of the inherent uncertainty as to the outcome of this proceeding, the Company is unable at this time to estimate the possible impact of the outcome of this matter.

Contingencies

In accordance with Accounting Standards Codification (“ASC”) Topic 450 “Contingencies” (“Topic 450”), the Company establishes accruals for contingencies when (i) the Company believes it is probable that a loss will be incurred and (ii) the amount of the loss can be reasonably estimated. If the reasonable estimate is a range, the Company will accrue the best estimate in that range; where no best estimate can be determined, the Company will accrue the minimum. Legal proceedings and other contingencies for which no accrual has been established are disclosed to the extent required by ASC Topic 450.

As of March 31, 2024, the Company has recorded an accrual of \$100 million in respect of legal proceeding contingencies. The timing of resolution is unknown and the amount of loss ultimately incurred may be substantially higher than the amount accrued. The Company expects a portion of the loss, if any is incurred, to be covered by the Company’s insurance. However, the recorded accrual currently exceeds the amount of insurance coverage that is available to the Company and may not cover the full amount of loss, if any is incurred. Accordingly, any adverse verdict or settlement could require a substantial cash outlay by the Company, which could have a material impact on the Company’s consolidated financial position, results of operations or cash flows.

In addition, in connection with the matters described above and previously disclosed government investigations, the Company provided notice of claims under multiple director and officer liability insurance policy periods. With respect to one policy period, a lawsuit was filed against the Company by certain of its insurance

carriers seeking a declaration that no further amounts will be payable with respect to that policy period. On March 26, 2024, the court issued a decision and order that, among other things, declared that portions of the matters described above are covered by the policy period at issue and that the insurance carriers for that policy period are obligated to pay defense costs, up to their limits of liability, with respect to the applicable portions of the matters described above. On April 25, 2024, the insurance carriers filed a motion for entry of judgment or leave to appeal the March 26, 2024 decision. An appeal could impact the amount of insurance coverage available to the Company for the policy period in question. Under Armour has opposed this motion and briefing on the motion was completed on May 23, 2024.

From time to time, the Company's view regarding probability of loss with respect to outstanding legal proceedings will change, proceedings for which the Company is able to estimate a loss or range of loss will change, and the estimates themselves will change. In addition, while many matters presented in financial disclosures involve significant judgment and may be subject to significant uncertainties, estimates with respect to legal proceedings are subject to particular uncertainties. Other than as described above, the Company believes that all current proceedings are routine in nature and incidental to the conduct of its business. However, the matters described above, if decided adversely to or settled by the Company, could result, individually or in the aggregate, in a liability material to the Company's consolidated financial position, results of operations or cash flows.

NOTE 11. STOCKHOLDERS' EQUITY

The Company's Class A Common Stock and Class B Convertible Common Stock have an authorized number of 400.0 million shares and 34.45 million shares, respectively, and each have a par value of \$0.0003 1/3 per share as of March 31, 2024. Holders of Class A Common Stock and Class B Convertible Common Stock have identical rights, including liquidation preferences, except that the holders of Class A Common Stock are entitled to one vote per share and holders of Class B Convertible Common Stock are entitled to 10 votes per share on all matters submitted to a stockholder vote. Class B Convertible Common Stock may only be held by Kevin Plank, the Company's founder, President and Chief Executive Officer, or a related party of Mr. Plank, as defined in the Company's charter. As a result, Mr. Plank has a majority voting control over the Company. Upon the transfer of shares of Class B Convertible Stock to a person other than Mr. Plank or a related party of Mr. Plank, the shares automatically convert into shares of Class A Common Stock on a one-for-one basis. In addition, all of the outstanding shares of Class B Convertible Common Stock will automatically convert into shares of Class A Common Stock on a one-for-one basis upon the death or disability of Mr. Plank or on the record date for any stockholders' meeting upon which the shares of Class A Common Stock and Class B Convertible Common Stock beneficially owned by Mr. Plank is less than 15% of the total shares of Class A Common Stock and Class B Convertible Common Stock outstanding or upon the other events specified in the Class C Articles Supplementary to the Company's charter as documented below. Holders of the Company's common stock are entitled to receive dividends when and if authorized and declared out of assets legally available for the payment of dividends.

The Company's Class C Common Stock has an authorized number of 400.0 million shares and has a par value of \$0.0003 1/3 per share as of March 31, 2024. The terms of the Class C Common Stock are substantially identical to those of the Company's Class A Common Stock, except that the Class C Common Stock has no voting rights (except in limited circumstances), will automatically convert into Class A Common Stock under certain circumstances and includes provisions intended to ensure equal treatment of Class C Common Stock and Class B Common Stock in certain corporate transactions, such as mergers, consolidations, statutory share exchanges, conversions or negotiated tender offers, and including consideration incidental to these transactions.

Share Repurchase Program

On February 23, 2022, the Company's Board of Directors authorized the Company to repurchase up to \$500 million (exclusive of fees and commissions) of outstanding shares of the Company's Class C Common Stock over the next two years. As of March 31, 2024, the Company has repurchased a total of \$500 million or 45.6 million outstanding shares of its Class C Common Stock under its share repurchase program, thereby completing all repurchase activity under the repurchase program.

Pursuant to the previously disclosed accelerated share repurchase transactions that the Company entered into in February 2022, May 2022, August 2022, November 2022, August 2023 and November 2023 (the "ASR Agreements"), the Company repurchased 10.7 million, 18.7 million and 16.2 million shares of Class C Common Stock, which were immediately retired, during Fiscal 2024, Fiscal 2023 and the Transition Period, respectively. As a result, \$74.8 million was recorded to retained earnings to reflect the difference between the market price of the

Class C Common Stock repurchased and its par value during Fiscal 2024 (Fiscal 2023: \$174.0 million; Transition Period: \$240.0 million).

On August 16, 2022, the Inflation Reduction Act (the "Act") was enacted and signed into law in the United States, which imposed a 1.0% excise tax on corporate stock repurchases in tax years beginning after December 31, 2022. As a result, the Company accrued \$0.7 million of excise tax in connection with the share repurchases completed during Fiscal 2024, which was recorded in other current liabilities on the Consolidated Balance Sheets as of March 31, 2024.

On May 15, 2024, subsequent to the fiscal year end, the Company's Board of Directors authorized the repurchase of up to \$500 million (exclusive of fees and commissions) of outstanding shares of the Company's Class C Common Stock through May 31, 2027. Refer to Note 22 of these Consolidated Financial Statements.

NOTE 12. REVENUES

The following tables summarize the Company's net revenues by product category and distribution channels:

	Year Ended March 31, 2024	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021
Apparel	\$ 3,789,016	\$ 3,871,167	\$ 876,452	\$ 3,840,375
Footwear	1,383,610	1,455,265	296,696	1,264,127
Accessories	405,715	408,521	96,803	461,894
<i>Net Sales</i>	5,578,341	5,734,953	1,269,951	5,566,396
License revenues	111,241	116,746	26,602	112,623
Corporate Other	12,297	51,466	4,240	3,573
<i>Total net revenues</i>	<u>\$ 5,701,879</u>	<u>\$ 5,903,165</u>	<u>\$ 1,300,793</u>	<u>\$ 5,682,592</u>

	Year Ended March 31, 2024	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021
Wholesale	\$ 3,243,187	\$ 3,468,126	\$ 829,179	\$ 3,245,749
Direct-to-consumer	2,335,154	2,266,827	440,772	2,320,647
<i>Net Sales</i>	5,578,341	5,734,953	1,269,951	5,566,396
License revenues	111,241	116,746	26,602	112,623
Corporate Other	12,297	51,466	4,240	3,573
<i>Total net revenues</i>	<u>\$ 5,701,879</u>	<u>\$ 5,903,165</u>	<u>\$ 1,300,793</u>	<u>\$ 5,682,592</u>

The Company records reductions to revenue for estimated customer returns, allowances, markdowns and discounts. These reserves are included within customer refund liability and the value of the inventory associated with reserves for sales returns are included within prepaid expenses and other current assets on the Consolidated Balance Sheets. The following table presents the customer refund liability, as well as the associated value of inventory for the periods indicated:

	As of March 31, 2024	As of March 31, 2023
Customer refund liability	\$ 139,283	\$ 160,533
Inventory associated with reserves for sales returns	\$ 29,514	\$ 40,661

Contract Liabilities

Contract liabilities are recorded when a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional, before the transfer of a good or service to the customer, and thus represent the Company's obligation to transfer the good or service to the customer at a future date. The Company's contract liabilities primarily consist of payments received in advance of revenue recognition for subscriptions for the Company's digital fitness applications and royalty arrangements and points associated with our loyalty programs, which are included in other current and other long-term liabilities on the Company's Consolidated Balance Sheets,

and gift cards, which are included in accrued expenses on the Company's Consolidated Balance Sheets. As of March 31, 2024, contract liabilities were \$26.3 million (March 31, 2023: \$25.9 million).

For Fiscal 2024, the Company recognized approximately \$7.4 million of revenue that was previously included in contract liabilities as of March 31, 2023.

For Fiscal 2023, the Company recognized approximately \$19.3 million of revenue that was previously included in contract liabilities as of March 31, 2022. Included in this amount is approximately \$10.1 million of revenue that was recognized during the three months ended December 31, 2022 for gift cards not expected to be redeemed ("breakage"), resulting from a process assessment that was completed during the three months ended December 31, 2022.

For Fiscal 2021, the Company recognized approximately \$21.5 million of revenue that was previously included in contract liabilities as of December 31, 2020.

For the Transition Period, the Company recognized \$5.0 million of revenue that was previously included in contract liabilities as of December 31, 2021.

The change in the contract liabilities balance primarily results from the timing differences between the Company's satisfaction of performance obligations and the customer's payment.

NOTE 13. OTHER EMPLOYEE BENEFITS

The Company offers a 401(k) Deferred Compensation Plan for the benefit of eligible employees. Employee contributions are voluntary and subject to Internal Revenue Service limitations. The Company matches a portion of the participant's contribution and recorded expense for Fiscal 2024 of \$10.6 million (Fiscal 2023: \$11.6 million; Fiscal 2021: \$8.9 million; Transition Period: \$6.1 million).

In addition, the Company offers the Under Armour, Inc. Deferred Compensation Plan (the "Deferred Compensation Plan") which allows a select group of management or highly compensated employees, as approved by the Human Capital and Compensation Committee of the Board of Directors, to make an annual base salary and/or bonus deferral for each year. As of March 31, 2024, the Deferred Compensation Plan obligations, which are included in other long-term liabilities on the Consolidated Balance Sheets, were \$16.2 million (March 31, 2023: \$14.1 million).

The Company established a Rabbi Trust to fund obligations to participants in the Deferred Compensation Plan. As of March 31, 2024, the assets held in the Rabbi Trust were trust owned life insurance ("TOLI") policies with cash-surrender values of \$9.1 million (March 31, 2023: \$7.7 million). These assets are consolidated and are included in other long-term assets on the Consolidated Balance Sheets.

Refer to Note 15 of these Consolidated Financial Statements for a discussion of the fair value measurements of the assets held in the Rabbi Trust and the Deferred Compensation Plan obligations.

NOTE 14. STOCK BASED COMPENSATION

The Under Armour, Inc. Fourth Amended and Restated 2005 Omnibus Long-Term Incentive Plan as amended (the "2005 Plan") provides for the issuance of stock options, restricted stock, restricted stock units and other equity awards to officers, directors, key employees and other persons. The 2005 Plan terminates in 2033. As of March 31, 2024, 8.3 million Class A shares and 34.3 million Class C shares are available for future grants of awards under the 2005 Plan.

Awards Granted to Employees and Non-Employee Directors

Total stock-based compensation expense associated with awards granted to employees and non-employee directors for Fiscal 2024 was \$36.9 million (Fiscal 2023: \$36.8 million; Fiscal 2021: \$43.8 million; Transition Period: \$11.8 million). The related tax benefits, excluding consideration of valuation allowances, were \$6.6 million for Fiscal 2024 (Fiscal 2023: \$6.3 million; Fiscal 2021: \$8.2 million; Transition Period: \$2.0 million). The valuation allowances associated with these benefits were \$1.2 million for Fiscal 2024 (Fiscal 2023: \$1.2 million; Fiscal 2021: \$7.2 million; Transition Period: \$1.0 million). As of March 31, 2024, the Company had \$57.4 million of unrecognized compensation expense related to these awards expected to be recognized over a weighted average period of 1.74 years. The unrecognized expense does not include any expense related to performance-based restricted stock unit

awards for which the performance targets have been deemed improbable as of March 31, 2024. Refer to "Stock Options" and "Restricted Stock and Restricted Stock Unit Awards" below for further information on these awards.

A summary of each of these plans is as follows:

Employee Stock Compensation Plan

Stock options, restricted stock and restricted stock unit awards under the 2005 Plan generally vest ratably over a period of two to five years. The contractual term for stock options is generally 10 years from the date of grant. The Company generally receives a tax deduction for any ordinary income recognized by a participant in respect to an award under the 2005 Plan.

Non-Employee Director Compensation Plan

The Company's Non-Employee Director Compensation Plan (the "Director Compensation Plan") provides for cash compensation and equity awards to non-employee directors of the Company under the 2005 Plan. Non-employee directors have the option to defer the value of their annual cash retainers as deferred stock units in accordance with the Under Armour, Inc. Non-Employee Deferred Stock Unit Plan (the "DSU Plan"). Each new non-employee director receives an award of restricted stock units upon the initial election to the Board of Directors, with the units covering stock valued at \$100 thousand on the grant date and vesting in three equal annual installments. In addition, each non-employee director receives, following each annual stockholders' meeting, a grant under the 2005 Plan of restricted stock units covering stock valued at \$150 thousand on the grant date. Each award vests 100% on the date of the next annual stockholders' meeting following the grant date.

The receipt of the shares otherwise deliverable upon vesting of the restricted stock units automatically defers into deferred stock units under the DSU Plan. Under the DSU Plan each deferred stock unit represents the Company's obligation to issue one share of the Company's Class A or Class C Common Stock with the shares delivered six months following the termination of the director's service. The Company had 0.8 million deferred stock units outstanding as of March 31, 2024.

Employee Stock Purchase Plan

The Company's Employee Stock Purchase Plans (the "ESPPs") allow for the purchase of Class A Common Stock and Class C Common Stock by all eligible employees at a 15% discount from fair market value subject to certain limits as defined in the ESPPs. As of March 31, 2024, 2.7 million Class A shares and 0.6 million Class C shares are available for future purchases under the ESPPs. During Fiscal 2024, 0.5 million Class C shares were purchased under the ESPPs (Fiscal 2023: 0.5 million; Fiscal 2021: 0.2 million; Transition Period: 0.1 million).

Awards granted to Certain Marketing and Other Partners

In addition to the plans discussed above, the Company may also, from time to time, issue deferred stock units or restricted stock units to certain of our marketing and other partners in connection with their entering into endorsement or other service agreements with the Company. The terms of each agreement set forth the number of units to be granted and the delivery dates for the shares, which range over a multi-year period, depending on the contract.

Total stock-based compensation expense related to these awards for Fiscal 2024 was \$8.9 million (Fiscal 2023: \$3.3 million; Fiscal 2021: \$3.5 million; Transition Period: \$0.8 million). As of March 31, 2024, the Company had \$71.0 million of unrecognized compensation expense associated with these awards expected to be recognized over a weighted average period of 10.26 years.

Summary by Award Classification:

Stock Options

A summary of the Company's stock options activity for the year ended March 31, 2024 is presented below:

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Total Intrinsic Value
Outstanding at March 31, 2023	1,578	\$ 19.44	4.82	\$ —
Granted, at fair market value	—	—	—	—
Exercised	—	—	—	—
Forfeited	—	—	—	—
Outstanding at March 31, 2024	<u>1,578</u>	<u>\$ 19.44</u>	<u>3.82</u>	<u>\$ —</u>
Options exercisable at March 31, 2024	<u>1,578</u>	<u>\$ 19.44</u>	<u>3.82</u>	<u>\$ —</u>

No stock options were granted during Fiscal 2024, Fiscal 2023, Fiscal 2021 or the Transition Period. No stock options were exercised during Fiscal 2024, Fiscal 2023 or the Transition Period. For Fiscal 2021, the intrinsic value of stock options exercised was \$0.2 million. There were no income tax benefits related to stock options exercised for Fiscal 2021.

Restricted Stock and Restricted Stock Unit Awards

A summary of the Company's restricted stock and restricted stock unit awards activity for the year ended March 31, 2024 is presented below:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Outstanding at March 31, 2023	7,658	\$ 13.01
Granted	18,607	7.71
Forfeited	(3,179)	10.15
Vested	(2,310)	14.48
Outstanding at March 31, 2024	<u>20,776</u>	<u>\$ 8.58</u>

The awards outstanding at March 31, 2024 in the table above includes 1.7 million and 0.5 million of performance-based restricted stock units that were awarded to certain executives and key employees under the 2005 Plan during Fiscal 2024 and Fiscal 2023, respectively. The performance-based restricted stock units awarded during Fiscal 2024 and Fiscal 2023 have a weighted average fair value of \$6.93 and \$9.13, respectively, and have vesting that is tied to the achievement of certain combined annual revenue and operating income targets.

As of March 31, 2024, the Company deemed the achievement of the targets for the performance-based restricted stock units awarded during Fiscal 2023 to be improbable and recorded a reversal of all previously recorded expense, with no amounts remaining accrued. Inclusive of this reversal, during Fiscal 2024, the Company recorded stock-based compensation expense (\$1.4) million, relating to these awards (Fiscal 2023: \$1.4 million).

As of March 31, 2024, the Company deemed the achievement of the targets for the performance-based restricted stock units awarded during Fiscal 2024 to be improbable and recorded a reversal of all previously recorded expense, with no amounts remaining accrued. Inclusive of this reversal, during Fiscal 2024, the Company recorded no stock-based compensation expense relating to these awards.

The Company assesses the probability of the achievement of the revenue and operating income targets at the end of each reporting period and based on that assessment cumulative adjustments may be recorded in future periods.

NOTE 15. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or the exit price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value accounting guidance outlines a valuation framework, creates a fair value hierarchy in order to increase the

consistency and comparability of fair value measurements and the related disclosures, and prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

Financial assets and liabilities measured at fair value on a recurring basis

The Company's financial assets (liabilities) measured at fair value on a recurring basis consisted of the following types of instruments as of the following periods:

	March 31, 2024			March 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative foreign currency contracts (see Note 16)	\$ —	\$ (4,643)	\$ —	\$ —	\$ (3,127)	\$ —
TOLI policies held by the Rabbi Trust (see Note 13)	\$ —	\$ 9,105	\$ —	\$ —	\$ 7,691	\$ —
Deferred Compensation Plan obligations (see Note 13)	\$ —	\$ (16,151)	\$ —	\$ —	\$ (14,082)	\$ —

Fair values of the financial assets and liabilities listed above are determined using inputs that use as their basis readily observable market data that are actively quoted and are validated through external sources, including third-party pricing services and brokers. The foreign currency contracts represent unrealized gains and losses on derivative contracts, which is the net difference between the U.S. dollar value to be received or paid at the contracts' settlement date and the U.S. dollar value of the foreign currency to be sold or purchased at the current market exchange rate. The fair value of the TOLI policies held by the Rabbi Trust are based on the cash-surrender value of the life insurance policies, which are invested primarily in mutual funds and a separately managed fixed income fund. These investments are initially made in the same funds and purchased in substantially the same amounts as the selected investments of participants in the Deferred Compensation Plan, which represent the underlying liabilities to participants. Liabilities under the Deferred Compensation Plan are recorded at amounts due to participants, based on the fair value of participants' selected investments.

Fair value of Long-Term Debt

The fair value of long-term debt is estimated based upon quoted prices for similar instruments or quoted prices for identical instruments in inactive markets (Level 2). As of March 31, 2024, the fair value of the Convertible Senior Notes was \$80.2 million (March 31, 2023: \$85.8 million). As of March 31, 2024, the fair value of the Senior Notes was \$569.1 million (March 31, 2023: \$553.9 million).

Assets and liabilities measured at fair value on a non-recurring basis

Certain assets are not remeasured to fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. These assets can include long-lived assets and goodwill that have been reduced to fair value when impaired. Assets that are written down to fair value when impaired are not subsequently adjusted to fair value unless further impairment occurs.

NOTE 16. RISK MANAGEMENT AND DERIVATIVES

The Company is exposed to global market risks, including the effects of changes in foreign currency and interest rates. The Company uses derivative instruments to manage financial exposures that occur in the normal course of business and does not hold or issue derivatives for trading or speculative purposes.

The Company may elect to designate certain derivatives as hedging instruments under U.S. GAAP. The Company formally documents all relationships between designated hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedge transactions. This process includes linking all derivatives designated as hedges to forecasted cash flows and assessing, both at inception and on an ongoing basis, the effectiveness of the hedging relationships.

The Company's foreign exchange risk management program consists of designated cash flow hedges and undesignated hedges. As of March 31, 2024, the Company has hedge instruments primarily for:

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- British Pound/U.S. Dollar;
- U.S. Dollar/Chinese Renminbi;
- Euro/U.S. Dollar;
- U.S. Dollar/Korean Won;
- U.S. Dollar/Mexican Peso; and
- U.S. Dollar/Canadian Dollar.

All derivatives are recognized on the Consolidated Balance Sheets at fair value and classified based on the instrument's maturity date.

The following table presents the fair values of derivative instruments within the Consolidated Balance Sheets. Refer to Note 15 of these Consolidated Financial Statements for a discussion of the fair value measurements.

	Balance Sheet Classification	March 31, 2024	March 31, 2023
Derivatives designated as hedging instruments under ASC 815			
Foreign currency contracts	Other current assets	\$ 10,477	\$ 22,473
Foreign currency contracts	Other long-term assets	2,760	619
Total derivative assets designated as hedging instruments		<u>\$ 13,237</u>	<u>\$ 23,092</u>
Derivatives designated as hedging instruments under ASC 815			
Foreign currency contracts	Other current liabilities	\$ 17,761	\$ 21,622
Foreign currency contracts	Other long-term liabilities	1,171	5,769
Total derivative liabilities designated as hedging instruments		<u>\$ 18,932</u>	<u>\$ 27,391</u>
Derivatives not designated as hedging instruments under ASC 815			
Foreign currency contracts	Other current assets	\$ 559	\$ 3,408
Total derivative assets not designated as hedging instruments		<u>\$ 559</u>	<u>\$ 3,408</u>
Derivatives not designated as hedging instruments under ASC 815			
Foreign currency contracts	Other current liabilities	\$ 600	\$ 6,563
Foreign currency contracts	Other long-term liabilities	—	4
Total derivative liabilities not designated as hedging instruments		<u>\$ 600</u>	<u>\$ 6,567</u>

The following table presents the amounts in the Consolidated Statement of Operations in which the effects of cash flow hedges are recorded and the effects of cash flow hedge activity on these line items:

	Year Ended March 31, 2024		Year Ended March 31, 2023		Three Months Ended March 31, 2022 (Transition Period)		Year Ended December 31, 2021	
	Total	Amount of Gain (Loss) on Cash Flow Hedge Activity	Total	Amount of Gain (Loss) on Cash Flow Hedge Activity	Total	Amount of Gain (Loss) on Cash Flow Hedge Activity	Total	Amount of Gain (Loss) on Cash Flow Hedge Activity
Net revenues	\$ 5,701,879	\$ 7,652	\$ 5,903,165	\$ 44,492	\$ 1,300,793	\$ 2,049	\$ 5,682,592	\$ (6,410)
Cost of goods sold	\$ 3,071,626	\$ (4,355)	\$ 3,259,334	\$ 2,016	\$ 696,397	\$ (2,903)	\$ 2,821,967	\$ (11,825)
Interest income (expense), net	\$ 268	\$ (36)	\$ (12,826)	\$ (37)	\$ (6,154)	\$ (9)	\$ (44,300)	\$ (37)
Other income (expense), net	\$ 32,055	\$ —	\$ 17,096	\$ —	\$ (107)	\$ —	\$ (51,009)	\$ —

The following tables present the amounts affecting the Consolidated Statements of Comprehensive Income (Loss):

	Balance as of March 31, 2023	Amount of gain (loss) recognized in other comprehensive income (loss) on derivatives	Amount of gain (loss) reclassified from other comprehensive income (loss) into income	Balance as of March 31, 2024
Derivatives designated as cash flow hedges				
Foreign currency contracts	\$ (4,764)	\$ (2,584)	\$ 3,297	\$ (10,645)
Interest rate swaps	(458)	—	(36)	(422)
Total designated as cash flow hedges	<u>\$ (5,222)</u>	<u>\$ (2,584)</u>	<u>\$ 3,261</u>	<u>\$ (11,067)</u>

	Balance as of March 31, 2022	Amount of gain (loss) recognized in other comprehensive income (loss) on derivatives	Amount of gain (loss) reclassified from other comprehensive income (loss) into income	Balance as of March 31, 2023
Derivatives designated as cash flow hedges				
Foreign currency contracts	\$ 41	\$ 41,703	\$ 46,508	\$ (4,764)
Interest rate swaps	(495)	—	(37)	(458)
Total designated as cash flow hedges	<u>\$ (454)</u>	<u>\$ 41,703</u>	<u>\$ 46,471</u>	<u>\$ (5,222)</u>

	Balance as of December 31, 2021	Amount of gain (loss) recognized in other comprehensive income (loss) on derivatives	Amount of gain (loss) reclassified from other comprehensive income (loss) into income	Balance as of March 31, 2022
Derivatives designated as cash flow hedges				
Foreign currency contracts	\$ (1,617)	\$ 804	\$ (854)	\$ 41
Interest rate swaps	(504)	—	(9)	(495)
Total designated as cash flow hedges	<u>\$ (2,121)</u>	<u>\$ 804</u>	<u>\$ (863)</u>	<u>\$ (454)</u>

	Balance as of December 31, 2020	Amount of gain (loss) recognized in other comprehensive income (loss) on derivatives	Amount of gain (loss) reclassified from other comprehensive income (loss) into income	Balance as of December 31, 2021
Derivatives designated as cash flow hedges				
Foreign currency contracts	\$ (25,908)	\$ 6,056	\$ (18,235)	\$ (1,617)
Interest rate swaps	(541)	—	(37)	(504)
Total designated as cash flow hedges	<u>\$ (26,449)</u>	<u>\$ 6,056</u>	<u>\$ (18,272)</u>	<u>\$ (2,121)</u>

The following table presents the amounts in the Consolidated Statement of Operations in which the effects of undesignated derivative instruments are recorded and the effects of fair value hedge activity on these line items:

	Year Ended March 31, 2024		Year Ended March 31, 2023		Three Months Ended March 31, 2022 (Transition Period)		Year Ended December 31, 2021	
	Total	Amount of Gain (Loss) on Fair Value Hedge Activity	Total	Amount of Gain (Loss) on Fair Value Hedge Activity	Total	Amount of Gain (Loss) on Fair Value Hedge Activity	Total	Amount of Gain (Loss) on Fair Value Hedge Activity
Other income (expense), net	\$ 32,055	\$ 355	\$ 17,096	\$ (7,200)	\$ (107)	\$ 4,481	\$ (51,009)	\$ (8,502)

Cash Flow Hedges

The Company is exposed to gains and losses resulting from fluctuations in foreign currency exchange rates relating to transactions generated by its international subsidiaries in currencies other than their local currencies.

These gains and losses are driven by non-functional currency generated revenue, non-functional currency inventory purchases and certain other intercompany transactions. The Company enters into foreign currency contracts to reduce the risk associated with the foreign currency exchange rate fluctuations on these transactions. Certain contracts are designated as cash flow hedges. As of March 31, 2024, the aggregate notional value of the Company's outstanding cash flow hedges was \$1,199.1 million (March 31, 2023: \$799.7 million), with contract maturities ranging from one to twenty-four months.

The Company may enter into long-term debt arrangements with various lenders which bear a range of fixed and variable rates of interest. The nature and amount of the Company's long-term debt can be expected to vary as a result of future business requirements, market conditions and other factors. The Company may elect to enter into interest rate swap contracts to reduce the impact associated with interest rate fluctuations. The interest rate swap contracts are accounted for as cash flow hedges. Refer to Note 9 of these Consolidated Financial Statements for a discussion of long-term debt.

For contracts designated as cash flow hedges, the changes in fair value are reported as other comprehensive income (loss) and are recognized in current earnings in the period or periods during which the hedged transaction affects current earnings. Effective hedge results are classified in the Consolidated Statement of Operations in the same manner as the underlying exposure.

Undesignated Derivative Instruments

The Company has entered into foreign exchange forward contracts to mitigate the change in fair value of specific assets and liabilities on the Consolidated Balance Sheets. Undesignated instruments are recorded at fair value as a derivative asset or liability on the Consolidated Balance Sheets with their corresponding change in fair value recognized in other expense, net, together with the re-measurement gain or loss from the hedged balance sheet position. As of March 31, 2024, the total notional value of the Company's outstanding undesignated derivative instruments was \$449.0 million (March 31, 2023: \$396.7 million).

Credit Risk

The Company enters into derivative contracts with major financial institutions with investment grade credit ratings and is exposed to credit losses in the event of non-performance by these financial institutions. This credit risk is generally limited to the unrealized gains in the derivative contracts. However, the Company monitors the credit quality of these financial institutions and considers the risk of counterparty default to be minimal.

NOTE 17. PROVISION FOR INCOME TAXES

Income (loss) before income taxes is as follows:

<i>(In thousands)</i>	Year Ended March 31, 2024	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021
Income (loss) before income taxes				
United States	\$ (17,201)	\$ 7,424	\$ (92,270)	\$ 180,160
Foreign	279,275	260,432	36,573	199,779
Total	<u>\$ 262,074</u>	<u>\$ 267,856</u>	<u>\$ (55,697)</u>	<u>\$ 379,939</u>

The components of the income tax expense (benefit) consisted of the following:

<i>(In thousands)</i>	Year Ended March 31, 2024		Year Ended March 31, 2023		Three Months Ended March 31, 2022 (Transition Period)		Year Ended December 31, 2021	
Current								
Federal	\$	19,909	\$	11,529	\$	331	\$	(4,366)
State		4,062		3,771		99		864
Foreign		29,728		29,198		10,251		36,335
		<u>53,699</u>		<u>44,498</u>		<u>10,681</u>		<u>32,833</u>
Deferred								
Federal		(22,361)		(160,017)		159		5,148
State		90		215		(4)		(3,645)
Foreign		(1,422)		6,659		(2,655)		(4,145)
		<u>(23,693)</u>		<u>(153,143)</u>		<u>(2,500)</u>		<u>(2,642)</u>
Income tax expense (benefit)	\$	<u>30,006</u>	\$	<u>(108,645)</u>	\$	<u>8,181</u>	\$	<u>30,191</u>

A reconciliation from the U.S. statutory federal income tax rate to the effective income tax rate is as follows:

	Year Ended March 31, 2024		Year Ended March 31, 2023		Three Months Ended March 31, 2022 (Transition Period)		Year Ended December 31, 2021	
U.S. federal statutory income tax rate	\$	55,036 21.0 %	\$	56,250 21.0 %	\$	(11,696) 21.0 %	\$	79,789 21.0 %
State taxes, net of federal tax impact		3,342 1.3 %		7,754 2.8 %		(5,489) 9.9 %		22,960 6.0 %
Effect of foreign earnings		(9,684) (3.7)%		(5,238) (2.0)%		140 (0.3)%		(10,328) (2.7)%
Permanent tax (benefits)/ nondeductible expenses		(11,623) (4.4)%		(9,425) (3.5)%		(884) 1.6 %		(12,374) (3.3)%
Impact of divestitures		— — %		— — %		(552) 1.0 %		7,317 1.9 %
Unrecognized tax benefits		7,781 3.0 %		11,654 4.4 %		750 (1.3)%		9,844 2.6 %
International intangible asset		(113,688) (43.6)%		— — %		— — %		— — %
Valuation allowance		102,669 39.2 %		(169,566) (63.3)%		26,623 (47.8)%		(62,823) (16.5)%
Federal R&D credit		(3,000) (1.1)%		(3,000) (1.1)%		(1,000) 1.8 %		(4,000) (1.1)%
Other		(827) (0.3)%		2,926 1.1 %		289 (0.6)%		(194) — %
Effective income tax rate	\$	<u>30,006 11.4 %</u>	\$	<u>(108,645) (40.6)%</u>	\$	<u>8,181 (14.7)%</u>	\$	<u>30,191 7.9 %</u>

For Fiscal 2024, the Company recorded an income tax expense of \$30.0 million compared to an income tax benefit of \$108.6 million for Fiscal 2023, and income tax expense of \$8.2 million and \$30.2 million in the Transition Period and Fiscal 2021, respectively.

In Fiscal 2024, the Company recorded an income tax benefit for the recognition of a deferred tax asset related to an international intangible asset with an associated valuation allowance. In Fiscal 2023, income tax benefits were recorded for the release of the U.S. federal valuation on deferred tax assets. In the Transition Period, additional valuation allowances were recorded for the U.S. and in Fiscal 2021, income tax benefits recorded for the reduction in U.S. valuation allowances was limited to the current period earnings.

Deferred tax assets and liabilities consisted of the following:

<i>(In thousands)</i>	March 31, 2024	March 31, 2023
Deferred tax assets		
Operating lease liabilities	\$ 187,289	\$ 213,381
Intangible assets	134,357	22,923
Reserves and accrued liabilities	60,843	44,957
Capitalized research expenditures	57,348	35,539
Foreign net operating loss carry-forwards	37,951	33,492
U.S. federal and state capital loss	32,473	45,099
Inventory	22,609	33,768
Deductions limited by income	13,119	5,957
U.S. state net operating loss	12,900	15,287
Stock-based compensation	10,379	8,076
Foreign tax credits	10,257	9,522
Allowance for doubtful accounts and sales return reserves	8,739	13,112
Property and equipment	5,042	—
U.S. tax credits	4,409	4,567
Convertible debt instruments	122	725
Other	8,383	8,674
Total deferred tax assets	606,220	495,079
Less: valuation allowance	(274,829)	(177,026)
Total net deferred tax assets	<u>\$ 331,391</u>	<u>\$ 318,053</u>
Deferred tax liabilities		
Right-of-use asset	\$ (104,665)	\$ (122,286)
Prepaid expenses	(2,978)	(4,875)
Property and equipment	—	(3,415)
Other	(3,796)	(1,888)
Total deferred tax liabilities	<u>(111,439)</u>	<u>(132,464)</u>
Total deferred tax assets, net	<u>\$ 219,952</u>	<u>\$ 185,589</u>

All deferred tax assets and liabilities are classified as non-current on the Consolidated Balance Sheets as of March 31, 2024 and March 31, 2023. In evaluating its ability to realize deferred tax assets, the Company considered all available positive and negative evidence, including its past operating results and the forecast of future market growth, earnings, taxable income and prudent and feasible tax planning strategies. The assumptions utilized in determining future taxable income require significant judgment and actual operating results in future years could differ from the Company's current assumptions, judgments and estimates.

Each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. As of March 31, 2024, for U.S. states and certain foreign taxing jurisdictions, we believe the weight of the negative evidence continues to outweigh the positive evidence regarding the realization of these deferred tax assets and have maintained a valuation allowance against these assets. We will continue to evaluate our ability to realize our net deferred tax assets on a quarterly basis.

As of March 31, 2024, the Company had \$12.9 million in deferred tax assets associated with \$256.0 million in state net operating loss carryforwards and \$4.4 million in net deferred tax assets associated with state tax credits. Certain definite lived state net operating losses and state tax credits will begin to expire within ten to twenty years. The Company had \$32.5 million in deferred tax assets associated with federal and state capital loss carryforwards of \$128.9 million, which, if unused, will expire in two years. The Company is not able to forecast the utilization of the deferred tax assets associated with state net operating loss carryforwards, the deferred tax assets associated with federal and state capital loss carryforwards, and a majority of the deferred tax assets associated with state tax credits and has recorded a valuation allowance of \$48.0 million against these deferred tax assets.

As of March 31, 2024, the Company had \$38.0 million in net deferred tax assets associated with approximately \$187.8 million in foreign net operating loss carryforwards and \$10.3 million in deferred tax assets associated with foreign tax credit carryforwards. While a portion of the foreign net operating loss carryforwards and foreign tax credit carryforwards have an indefinite carryforward period, certain are definite lived, expected to expire

within three to fifteen years. Additionally, the Company is not able to forecast the utilization of a majority of the deferred tax assets associated with foreign net operating loss carryforwards, foreign tax credit carryforwards and certain other foreign deferred tax assets and has recorded a valuation allowance of \$179.2 million against these foreign deferred tax assets.

As of March 31, 2024, approximately \$632.2 million of cash and cash equivalents was held by the Company's non-U.S. subsidiaries whose cumulative undistributed earnings total \$1.5 billion. The Tax Cuts and Jobs Act of 2017 imposed U.S. federal tax on all post-1986 foreign unrepatriated earnings accumulated through December 31, 2017. The portion of these earnings not subject to U.S. federal income tax as part of the one-time transition tax should, in general, not be subject to U.S. federal income tax. The Company will continue to permanently reinvest these earnings, as well as future earnings from its foreign subsidiaries, to fund international growth and operations. If the Company was to repatriate indefinitely reinvested foreign funds, it would still be required to accrue and pay certain taxes upon repatriation, including foreign withholding taxes and certain U.S. state taxes and recognized foreign exchange rate impacts. Determination of the unrecorded deferred tax liability that would be incurred if such amounts were repatriated is not practicable.

The following table represents a reconciliation of the Company's total unrecognized tax benefits balances, excluding interest and penalties.

<i>(In thousands)</i>	Year Ended March 31, 2024	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021
Beginning of period	\$ 61,945	\$ 52,867	\$ 52,150	\$ 43,308
Increases as a result of tax positions taken in a prior period	5,909	4,987	159	6,713
Decreases as a result of tax positions taken in a prior period	(2,921)	(598)	(37)	(332)
Increases as a result of tax positions taken during the current period	855	4,689	595	2,461
Reductions as a result of a lapse of limitations during the current period	(856)	—	—	—
End of period	<u>\$ 64,932</u>	<u>\$ 61,945</u>	<u>\$ 52,867</u>	<u>\$ 52,150</u>

As of March 31, 2024, the total liability for unrecognized tax benefits was approximately \$79.9 million (March 31, 2023: \$70.4 million) including \$15.0 million for the accrual of interest and penalties (March 31, 2023: \$8.5 million).

For Fiscal 2024, the Company recorded \$6.6 million for the accrual of interest and penalties within the provision for income taxes on its Consolidated Statements of Operations (Fiscal 2023: \$2.7 million; Fiscal 2021: \$1.2 million; Transition Period: \$0.2 million).

As of March 31, 2024, \$55.5 million of unrecognized tax benefits, excluding interest and penalties, would impact the Company's effective tax rate if recognized. Also included in the balance are unrecognized tax benefits of \$6.4 million that, if recognized, would result in adjustments to other tax accounts, primarily valuation allowances on deferred tax assets.

The Company files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. The Company is currently under audit by the U.S. Internal Revenue Service for the years 2015 through 2020. The majority of the Company's other returns for years before 2014 are no longer subject to U.S. federal, state and local or foreign income tax examinations by tax authorities.

The total amount of unrecognized tax benefits relating to the Company's tax positions is subject to change based on future events including, but not limited to, the settlements of ongoing tax audits and assessments and the expiration of applicable statutes of limitations. Although the outcomes and timing of such events are highly uncertain, the Company does not anticipate that the balance of gross unrecognized tax benefits, excluding interest and penalties, will change significantly during the next twelve months. However, changes in the occurrence, expected outcomes, and timing of such events could cause the Company's current estimate to change materially in the future.

NOTE 18. EARNINGS PER SHARE

The following represents a reconciliation from basic net income (loss) per share to diluted net income (loss) per share:

	Year Ended March 31, 2024	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021 ⁽¹⁾
Numerator				
Net income (loss) - Basic	\$ 232,042	\$ 374,459	\$ (63,146)	\$ 351,003
Interest on Convertible Senior Notes due 2024, net of tax ⁽²⁾	901	899	—	—
Net income (loss) - Diluted	\$ 232,943	\$ 375,358	\$ (63,146)	\$ 351,003
Denominator				
Weighted average common shares outstanding Class A, B and C - Basic	440,324	451,426	471,425	465,504
Dilutive effect of Class A, B, and C securities ⁽²⁾	2,445	1,841	—	3,035
Dilutive effect of Convertible Senior Notes due 2024 ⁽²⁾	8,242	8,242	—	105
Weighted average common shares and dilutive securities outstanding Class A, B, and C	451,011	461,509	471,425	468,644
Class A and Class C securities excluded as anti-dilutive ⁽³⁾	15,076	6,989	6,539	1,578
Basic net income (loss) per share of Class A, B and C common stock				
	\$ 0.53	\$ 0.83	\$ (0.13)	\$ 0.75
Diluted net income (loss) per share of Class A, B and C common stock				
	\$ 0.52	\$ 0.81	\$ (0.13)	\$ 0.75

⁽¹⁾ The Company adopted Accounting Standard Update No. 2020-06 "Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40)" (ASU 2020-06) on January 1, 2022 using the modified retrospective transition approach. As a result, prior period comparatives have not been restated to conform to current period presentation.

⁽²⁾ Effects of potentially dilutive securities are presented only in periods in which they are dilutive. No stock options, restricted stock units, or effects from the Convertible Senior Notes due 2024 are included in the computation of diluted earnings per share during periods when the Company is in the net loss position, as their effect would be anti-dilutive.

⁽³⁾ Represents stock options and restricted stock units of Class A and Class C Common Stock outstanding that were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive.

NOTE 19. SEGMENT DATA

The Company's operating segments are based on how the Chief Operating Decision Maker ("CODM") makes decisions about allocating resources and assessing performance. As such, the CODM receives discrete financial information for the Company's principal business by geographic region based on the Company's strategy of being a global brand. These geographic regions include North America, EMEA, Asia-Pacific and Latin America. Each geographic segment operates exclusively in one industry: the development, marketing and distribution of branded performance apparel, footwear and accessories. Total expenditures for additions to long-lived assets are not disclosed as this information is not regularly provided to the CODM.

The Company excludes certain corporate items from its segment profitability measures. The Company reports these items within Corporate Other, which is designed to provide increased transparency and comparability of the Company's operating segments' performance. Corporate Other consists primarily of (i) operating results related to MMR platforms and other digital business opportunities; (ii) general and administrative expenses not allocated to an operating segment, including expenses associated with centrally managed departments such as global marketing, global IT, global supply chain and innovation, and other corporate support functions; (iii) restructuring and restructuring related charges, if any; and (iv) certain foreign currency hedge gains and losses.

The following tables summarize the Company's net revenues and operating income (loss) by its geographic segments. Intercompany balances were eliminated in consolidation and are not reviewed when evaluating segment performance.

	Year Ended March 31, 2024	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021
Net revenues				
North America	\$ 3,505,167	\$ 3,820,522	\$ 840,949	\$ 3,809,498
EMEA	1,081,915	992,624	228,056	842,511
Asia-Pacific	873,019	825,338	181,908	831,762
Latin America	229,481	213,215	45,640	195,248
Corporate Other	12,297	51,466	4,240	3,573
<i>Total net revenues</i>	<u>\$ 5,701,879</u>	<u>\$ 5,903,165</u>	<u>\$ 1,300,793</u>	<u>\$ 5,682,592</u>

	Year Ended March 31, 2024	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021
Operating income (loss)				
North America	\$ 677,882	\$ 714,656	\$ 150,604	\$ 961,051
EMEA	176,205	112,161	30,336	132,602
Asia-Pacific	119,650	100,276	5,464	132,911
Latin America	38,401	23,487	6,343	22,388
Corporate Other	(782,387)	(686,994)	(242,183)	(773,704)
<i>Total operating income (loss)</i>	<u>229,751</u>	<u>263,586</u>	<u>(49,436)</u>	<u>475,248</u>
Interest expense, net	268	(12,826)	(6,154)	(44,300)
Other income (expense), net	32,055	17,096	(107)	(51,009)
<i>Income (loss) before income taxes</i>	<u>\$ 262,074</u>	<u>\$ 267,856</u>	<u>\$ (55,697)</u>	<u>\$ 379,939</u>

Long-lived assets are primarily composed of property and equipment, net and operating lease right-of-use assets. The Company's long-lived assets by geographic area were as follows:

	March 31, 2024	March 31, 2023
Long-lived assets		
United States	\$ 877,558	\$ 893,943
Canada	16,748	15,671
Total North America	894,306	909,614
Other foreign countries	204,896	224,526
Total long-lived assets	<u>\$ 1,099,202</u>	<u>\$ 1,134,140</u>

NOTE 20. RELATED PARTY TRANSACTIONS

The Company has an operating lease agreement with an entity controlled by the Company's President and Chief Executive Officer to lease an aircraft for business purposes. The Company recorded \$1.6 million for lease payments to the entity for its use of the aircraft during Fiscal 2024 (Fiscal 2023: \$2.0 million; Fiscal 2021: \$2.0 million; Transition Period: \$0.5 million). The Company determined the lease payments were at fair market lease rates.

In June 2016, the Company purchased parcels of land from an entity controlled by the Company's President and Chief Executive Officer, to be utilized to expand the Company's corporate headquarters to accommodate its growth needs. The purchase price for these parcels totaled \$70.3 million. The Company determined that the purchase price for the land represented the fair market value of the parcels and approximated the cost to the seller to purchase and develop the parcels, including costs related to the termination of a lease encumbering the parcels.

In connection with the purchase of these parcels, the parties entered into an agreement in September 2016 and a supplement thereto in May 2022, pursuant to which the parties will share the burden of any special taxes

arising due to infrastructure projects in the surrounding area. The allocation to the Company is based on the expected benefits to the Company's parcels from these projects. No amounts were payable by either party under this agreement as of March 31, 2024.

NOTE 21. REVISION OF PREVIOUSLY ISSUED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

The amounts below reflect the unaudited interim periods within Fiscal 2024 and 2023 and include the revisions to previously filed unaudited interim consolidated financial data to correct immaterial prior period errors as discussed in Note 1 of these Consolidated Financial Statements. The Company intends to reflect these revisions in its Quarterly Reports to be filed on Form 10-Q in Fiscal 2025.

Condensed Consolidated Statements of Operations

<i>(in thousands)</i>	Three Months Ended			
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Net revenues	\$ 1,316,965	\$ 1,566,674	\$ 1,486,043	\$ 1,332,197
Cost of goods sold	705,470	818,151	815,404	732,601
Gross profit	611,495	748,523	670,639	599,596
Selling, general and administrative expenses	589,072	609,050	599,230	603,150
Income (loss) from operations	22,423	139,473	71,409	(3,554)
Interest income (expense), net	(1,626)	(373)	(211)	2,478
Other income (expense), net	(6,060)	(6,104)	47,927	(3,708)
Income (loss) before income taxes	14,737	132,996	119,125	(4,784)
Income tax expense (benefit)	4,328	28,436	8,569	(11,327)
Income (loss) from equity method investments	(399)	151	197	25
Net income (loss)	\$ 10,010	\$ 104,711	\$ 110,753	\$ 6,568
Basic net income per share of Class A, B and C common stock	\$ 0.02	\$ 0.24	\$ 0.25	\$ 0.02
Diluted net income per share of Class A, B and C common stock	\$ 0.02	\$ 0.23	\$ 0.25	\$ 0.02

<i>(in thousands)</i>	Three Months Ended			
	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
Net revenues	\$ 1,348,777	\$ 1,574,296	\$ 1,581,487	\$ 1,398,605
Cost of goods sold	720,860	860,799	884,563	793,112
Gross profit	627,917	713,497	696,924	605,493
Selling, general and administrative expenses	599,286	597,595	607,433	575,931
Income (loss) from operations	28,631	115,902	89,491	29,562
Interest income (expense), net	(6,005)	(3,555)	(1,615)	(1,651)
Other income (expense), net	(14,241)	(5,771)	42,848	(5,740)
Income (loss) before income taxes	8,385	106,576	130,724	22,171
Income tax expense (benefit)	4,637	21,489	17,726	(152,497)
Income (loss) from equity method investments	(898)	(908)	72	(308)
Net income (loss)	\$ 2,850	\$ 84,179	\$ 113,070	\$ 174,360
Basic net income per share of Class A, B and C common stock	\$ 0.01	\$ 0.19	\$ 0.25	\$ 0.39
Diluted net income per share of Class A, B and C common stock	\$ 0.01	\$ 0.18	\$ 0.25	\$ 0.38

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The following table sets forth the Company's revisions to the condensed statements of operations for each of the first three quarters in the fiscal year ended March 31, 2024 and each of the quarters in the fiscal year ended March 31, 2023.

<i>(in thousands)</i>	Fiscal 2024								
	Three Months Ended June 30, 2023			Three Months Ended September 30, 2023			Three Months Ended December 31, 2023		
	As Previously Reported	Adjustment	As Revised	As Previously Reported	Adjustment	As Revised	As Previously Reported	Adjustment	As Revised
Net revenues	\$ 1,317,012	\$ (47)	\$ 1,316,965	\$ 1,566,710	\$ (36)	\$ 1,566,674	\$ 1,486,095	\$ (52)	\$ 1,486,043
Cost of goods sold	709,276	(3,806)	705,470	814,715	3,436	818,151	814,914	490	815,404
Gross profit	607,736	3,759	611,495	751,995	(3,472)	748,523	671,181	(542)	670,639
Selling, general and administrative expenses	586,806	2,266	589,072	606,236	2,814	609,050	601,661	(2,431)	599,230
Income (loss) from operations	20,930	1,493	22,423	145,759	(6,286)	139,473	69,520	1,889	71,409
Interest income (expense), net	(1,626)	—	(1,626)	(373)	—	(373)	(211)	—	(211)
Other income (expense), net	(6,385)	325	(6,060)	(6,429)	325	(6,104)	49,636	(1,709)	47,927
Income (loss) before income taxes	12,919	1,818	14,737	138,957	(5,961)	132,996	118,945	180	119,125
Income tax expense (benefit)	3,971	357	4,328	29,494	(1,058)	28,436	4,999	3,570	8,569
Income (loss) from equity method investments	(399)	—	(399)	151	—	151	197	—	197
Net income (loss)	\$ 8,549	\$ 1,461	\$ 10,010	\$ 109,614	\$ (4,903)	\$ 104,711	\$ 114,143	\$ (3,390)	\$ 110,753
Basic net income (loss) per share	\$ 0.02	\$ —	\$ 0.02	\$ 0.25	\$ (0.01)	\$ 0.24	\$ 0.26	\$ (0.01)	\$ 0.25
Diluted net income (loss) per share	\$ 0.02	\$ —	\$ 0.02	\$ 0.24	\$ (0.01)	\$ 0.23	\$ 0.26	\$ (0.01)	\$ 0.25

<i>(in thousands)</i>	Fiscal 2023											
	Three Months Ended June 30, 2022			Three Months Ended September 30, 2022			Three Months Ended December 31, 2022			Three Months Ended March 31, 2023		
	As Previously Reported	Adjustment	As Revised	As Previously Reported	Adjustment	As Revised	As Previously Reported	Adjustment	As Revised	As Previously Reported	Adjustment	As Revised
Net revenues	\$ 1,349,057	\$ (280)	\$ 1,348,777	\$ 1,573,885	\$ 411	\$ 1,574,296	\$ 1,581,781	\$ (294)	\$ 1,581,487	\$ 1,398,913	\$ (308)	\$ 1,398,605
Cost of goods sold	718,860	2,000	720,860	860,051	748	860,799	883,376	1,187	884,563	792,009	1,103	793,112
Gross profit	630,197	(2,280)	627,917	713,834	(337)	713,497	698,405	(1,481)	696,924	606,904	(1,411)	605,493
Selling, general and administrative expenses	595,714	3,572	599,286	594,424	3,171	597,595	603,746	3,687	607,433	571,645	4,286	575,931
Income (loss) from operations	34,483	(5,852)	28,631	119,410	(3,508)	115,902	94,659	(5,168)	89,491	35,259	(5,697)	29,562
Interest income (expense), net	(6,005)	—	(6,005)	(3,555)	—	(3,555)	(1,615)	—	(1,615)	(1,651)	—	(1,651)
Other income (expense), net	(14,241)	—	(14,241)	(5,771)	—	(5,771)	47,312	(4,464)	42,848	(10,520)	4,780	(5,740)
Income (loss) before income taxes	14,237	(5,852)	8,385	110,084	(3,508)	106,576	140,356	(9,632)	130,724	23,088	(917)	22,171
Income tax expense (benefit)	5,657	(1,020)	4,637	22,251	(762)	21,489	18,811	(1,085)	17,726	(147,765)	(4,732)	(152,497)
Income (loss) from equity method investments	(898)	—	(898)	(908)	—	(908)	72	—	72	(308)	—	(308)
Net income (loss)	\$ 7,682	\$ (4,832)	\$ 2,850	\$ 86,925	\$ (2,746)	\$ 84,179	\$ 121,617	\$ (8,547)	\$ 113,070	\$ 170,545	\$ 3,815	\$ 174,360
Basic net income (loss) per share	\$ 0.02	\$ (0.01)	\$ 0.01	\$ 0.19	\$ —	\$ 0.19	\$ 0.27	\$ (0.02)	\$ 0.25	\$ 0.38	\$ 0.01	\$ 0.39
Diluted net income (loss) per share	\$ 0.02	\$ (0.01)	\$ 0.01	\$ 0.19	\$ (0.01)	\$ 0.18	\$ 0.27	\$ (0.02)	\$ 0.25	\$ 0.38	\$ —	\$ 0.38

NOTE 22. SUBSEQUENT EVENTS

Share Repurchase Plan

On May 15, 2024, the Company's board of directors authorized the repurchase of up to \$500 million of the Company's Class C Common Stock through May 31, 2027. The Class C Common Stock may be repurchased from time to time at prevailing prices in the open market, through plans designed to comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, via private purchases through forward, derivative, accelerated share repurchase transactions or otherwise, subject to applicable regulatory restrictions on volume, pricing and timing. The timing and amount of any repurchases will depend on market conditions, the Company's financial condition, results of operations, liquidity and other factors.

Fiscal 2025 Restructuring Plan

On May 15, 2024, the Company's Board of Directors approved a restructuring plan designed to rebalance the Company's costs base to further improve profitability and cash flow generation. In connection with this plan, the Company expects to incur total estimated pre-tax restructuring and related charges of approximately \$70 million to \$90 million, during Fiscal 2025, primarily consisting of up to approximately:

- \$50 million in cash-related charges, consisting of approximately \$15 million in employee severance and benefits costs, and \$35 million related to various transformational initiatives, and
- \$40 million in non-cash charges, consisting of approximately \$7 million in employee severance and benefits costs and \$33 million in facility, software and other asset-related charges and impairments.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1934, as amended (the "Exchange Act")) are designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective as of March 31, 2024, due to the material weaknesses in our internal control over financial reporting described below.

In addition, management has analyzed the material weaknesses and performed additional analyses and procedures in preparing our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K. Based on these analyses and procedures, we concluded that our financial statements fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting include policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii)

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Management assessed, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our internal control over financial reporting as of March 31, 2024. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the 2013 “Internal Control-Integrated Framework.” Based on this assessment, management concluded that, as of March 31, 2024, our internal control over financial reporting was not effective due to the material weaknesses described below.

A material weakness (as defined in Rule 12b-2 under the Exchange Act) is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company’s annual or interim financial statements will not be prevented or detected on a timely basis.

We identified material weaknesses in our internal control over financial reporting, as we did not design and maintain effective controls over certain aspects of the period-end financial reporting process, including the review and execution of certain balance sheet account reconciliations, and we did not design and maintain effective controls over the classification and presentation of general ledger accounts in the appropriate financial statement line items within the consolidated financial statements.

Although these material weaknesses did not result in a material misstatement of our consolidated financial statements, these material weaknesses resulted in immaterial errors in our consolidated interim and annual financial statements for Fiscal 2024, Fiscal 2023, the Transition Period and Fiscal 2021. Additionally, until we remediate these material weaknesses, they could result in material misstatements to our interim or annual consolidated financial statements that would not be prevented or detected on a timely basis.

PricewaterhouseCoopers LLP, our independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of March 31, 2024 as stated in their report which appears in Part II, Item 8 of this Annual Report on Form 10-K.

Remediation Efforts

Management, with oversight by the Audit Committee of our Board of Directors, is currently forming a plan to remediate the material weaknesses described above and address each underlying cause. We intend to take the necessary steps to address these material weaknesses. We will design and implement controls to address the underlying causes of the above-described material weaknesses. Our currently planned remediation actions include, but are not limited to, the following:

- Design and execution of enhanced controls, operating at the level of precision necessary to prevent and detect potential material misstatements and to aid in the detection of potential deviations, which may be relied upon in our financial reporting processes;
- Redesign and implementation of the balance sheet account reconciliation policy and approval process, including additional training for teammates and the development of additional controls or control activities, that include the appropriate level of precision around aging, thresholds, support and documentation;
- Redesign and implementation of controls specific to certain balance sheet account reconciliations and the classification and presentation of general ledger accounts in the appropriate financial statement line items within the consolidated financial statements; and
- Engagement with outside consultants to assist in certain aspects of the remediation plan.

We believe the measures described above will remediate the material weaknesses and strengthen our internal control over financial reporting. These material weaknesses will not be considered fully remediated until we complete the design and implementation of the applicable controls, and they operate for a sufficient period of time and management has concluded through testing that the controls are operating effectively. We are committed to continuing to improve our internal control over financial reporting, and as we continue to evaluate and work to improve our internal control over financial reporting, we may take additional measures beyond those remediation measures described above to address control deficiencies, or we may modify certain of the remediation measures described above.

Limitations on the Effectiveness of Internal Control

A control system, no matter how well conceived and operated, can only provide reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

- (a) As compared to the unaudited selected Fiscal 2024 and 2023 Statements of Operations Data furnished in the Company's Form 8-K filed with the SEC on May 16, 2024, certain amounts in the unaudited interim consolidated statements of income provided in Note 21 to the Consolidated Financial Statements, included in Part II, Item 8 of this Annual Report on Form 10-K, have been revised to include other immaterial interim adjustments recorded in Fiscal 2023 and Fiscal 2024. Such revisions were not material and did not affect the Consolidated Financial Statements for Fiscal 2024 or Fiscal 2023.
- (b) During the three months ended March 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement", as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item regarding directors is incorporated herein by reference from the 2024 Proxy Statement, under the headings "Election of Directors," "Corporate Governance and Related Matters - Board Meetings and Committees." Information required by this Item regarding executive officers is included under "Executive Officers" in Part I of this Annual Report on Form 10-K.

Code of Ethics

We have a written code of ethics and business conduct in place that applies to all our employees, including our principal executive officer, principal financial officer, and principal accounting officer and controller. A copy of our code of ethics and business conduct is available on our website: <https://about.underarmour.com/investor-relations/governance>. We are required to disclose any change to, or waiver from, our code of ethics and business policy for our senior financial officers. We intend to use our website as a method of disseminating this disclosure as permitted by applicable SEC rules.

Insider Trading Policy

We have adopted the Under Armour Insider Trading Policy, which governs the purchase, sale and other dispositions of Under Armour securities by all of our directors, officers and employees, as well as their spouses, minor children, relatives and other persons who live with them, and any trusts, estates or other entities over which they exercise control or in which they have any beneficial interest. The Under Armour Insider Trading Policy is designed to promote compliance with insider trading laws, rules and regulations, as well as the rules and regulations of the New York Stock Exchange. It prohibits those who are subject to the policy from trading securities of any company, including Under Armour, while in possession of material non-public information, and from buying, selling or gifting Under Armour securities even if not in possession of such information during certain trading blackout periods, subject to limited exceptions. It also prohibits those who are subject to the policy from effecting

short sales of Under Armour securities and from engaging in hedging transactions and purchasing or selling derivative securities, such as puts and calls, relating to Under Armour securities. The Under Armour Insider Trading Policy also imposes additional trading restrictions applicable to our directors, executive officers and designated insiders (as defined therein). The foregoing summary of the Under Armour Insider Trading Policy does not purport to be complete and is qualified in its entirety by reference to the full text of the Under Armour Insider Trading Policy attached hereto as Exhibit 19.01.

ITEM 11. INFORMATION ABOUT OUR EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference herein from the 2024 Proxy Statement under the headings "Corporate Governance and Related Matters - Compensation of Directors," and "Executive Compensation."

As indicated on the cover page of this Annual Report on Form 10-K, we have included financial statements reflecting the correction of errors to previously issued financial statements. However, to date we have not paid any incentive-based compensation that is subject to our current incentive-based compensation recovery policy, Rule 10D-1(b) of the Securities Exchange Act of 1934, as amended, or Section 303A.14 of the NYSE Listed Company Manual. Accordingly, no "recovery analysis" pursuant to §240.10D-1(b) was required. As will be disclosed in our 2024 Proxy Statement, as a result of these error corrections, although not required, our management voluntarily recommended, and our Human Capital and Compensation Committee of our Board of Directors approved, with respect to any of our current executive officers who received a Fiscal 2023 annual cash incentive award, a reduction of that executive officer's Fiscal 2024 annual cash incentive award in an amount equal to the difference between (i) the amount that was paid to such executive officer based on the previously filed Fiscal 2023 financial statements and (ii) the amount that would have been paid to such executive officer based on the revised Fiscal 2023 financial statements as described in this Annual Report on Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated by reference herein from the 2024 Proxy Statement under the headings "Security Ownership of Management and Certain Beneficial Owners of Shares" and "Equity Compensation Plan Information."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference herein from the 2024 Proxy Statement under the heading "Transactions with Related Persons" and "Corporate Governance and Related Matters - Independence of Directors."

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated by reference herein from the 2024 Proxy Statement under the heading "Independent Auditors."

PART IV.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

a. The following documents are filed as part of this Annual Report on Form 10-K:

1. Financial Statements:	
Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	44
Consolidated Balance Sheets as of March 31, 2024 and March 31, 2023	46
Consolidated Statements of Operations for the Years March 31, 2024 and 2023, the Three Months Ended March 31, 2022, and the Year Ended December 31, 2021	48
Consolidated Statements of Comprehensive Income (Loss) for the Years Ended March 31, 2024 and 2023, the Three Months Ended March 31, 2022, and the Year Ended December 31, 2021	49
Consolidated Statements of Stockholders' Equity for the Years Ended March 31, 2024 and 2023, the Three Months Ended March 31, 2022, and the Year Ended December 31, 2021	50
Consolidated Statements of Cash Flows for the Years Ended March 31, 2024 and 2023, the Three Months Ended March 31, 2022, and the Year Ended December 31, 2021	51
Notes to the Audited Consolidated Financial Statements	53

2. Financial Statement Schedule	
Schedule II—Valuation and Qualifying Accounts	101

All other schedules are omitted because they are not applicable or the required information is shown in the Consolidated Financial Statements or notes thereto.

3. Exhibits

The following exhibits are incorporated by reference or filed herewith.

Exhibit No.	
3.01	Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3.01 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed on February 23, 2022).
3.02	Articles Supplementary setting forth the terms of the Class C Common Stock, dated June 15, 2015 (incorporated by reference to Appendix F to the Preliminary Proxy Statement filed by the Company on June 15, 2015).
3.03	Amended and Restated Bylaws of Under Armour, Inc. (effective April 1, 2024) (incorporated by reference to Exhibit 3.01 of the Company's Current Report on Form 8-K filed on March 13, 2024).
4.01	Description of the Company's Securities Registered Pursuant to Section 12 of the Exchange Act (incorporated by reference to Exhibit 4.01 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, filed on February 24, 2021).
4.02	Indenture, dated as of June 13, 2016, between the Company and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on June 13, 2016).
4.03	First Supplemental Indenture, dated as of June 13, 2016, relating to the 3.250% Senior Notes due 2026, between the Company and Wilmington Trust, National Association, as trustee, and the Form of 3.250% Senior Notes due 2026 (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K filed on June 13, 2016).
4.04	Indenture, dated as of May 27, 2020, relating to the Company's 1.50% Convertible Senior Notes due 2024, between the Company and Wilmington Trust, National Association, as Trustee and the Form of 1.50% Convertible Senior Notes due 2024 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on May 28, 2020).
10.01	Credit Agreement, dated March 8, 2019, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, as syndication agent and the other lenders and arrangers party thereto (incorporated by reference to Exhibit 10.01 of the Company's Current Report on Form 8-K filed on March 8, 2019).

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Exhibit No.	
10.02	Amendment No. 1, dated May 12, 2020, to the Amended and Restated Credit Agreement, dated March 8, 2019, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders and arrangers party thereto (incorporated by reference to Exhibit 10.01 of the Company's Current Report on Form 8-K filed on May 12, 2020).
10.03	Amendment No. 2, dated May 17, 2021, to the Amended and Restated Credit Agreement dated March 8, 2019, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders and arrangers party thereto (incorporated by reference to Exhibit 10.01 of the Company's Current Report on Form 8-K filed on May 19, 2021).
10.04	Amendment No. 3, dated December 3, 2021, to the Amended and Restated Credit Agreement, dated March 8, 2019, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders and arrangers party thereto (incorporated by reference to Exhibit 10.01 of the Company's Current Report on Form 8-K filed on December 8, 2021).
10.05	Technical Modification, dated February 24, 2023, to the Amended and Restated Credit Agreement, dated March 8, 2019, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders and arrangers party thereto (incorporated by reference to Exhibit 10.05 of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2023, filed on May 24, 2023).
10.06	Amendment No. 4, dated March 6, 2024, to the Amended and Restated Credit Agreement, dated March 8, 2019, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders and arrangers party thereto.
10.07	Form of Capped Call Confirmation (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on May 28, 2020).
10.08	Form of Accelerated Share Repurchase Agreement (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on February 25, 2022).
10.09	Under Armour, Inc. Amended and Restated Executive Incentive Compensation Plan (incorporated by reference to Exhibit 10.01 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, filed on August 4, 2022).*
10.10	Under Armour, Inc. Amended and Restated Deferred Compensation Plan (incorporated by reference to Exhibit 10.10 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed on February 22, 2019).*
10.11	Amendment One to the Under Armour, Inc. Deferred Compensation Plan (incorporated by reference to Exhibit 10.01 of the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2023, filed on February 8, 2024).*
10.12	Under Armour, Inc. Executive Change in Control Severance Plan (incorporated by reference to Exhibit 10.10 of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2023, filed on May 24, 2023).*
10.13	Under Armour, Inc. Executive Severance Program.*
10.14	Under Armour, Inc. Fourth Amended and Restated 2005 Omnibus Long-Term Incentive Plan (the "2005 Plan") (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the Commission on August 31, 2023).*
10.15	Form of Annual Restricted Stock Unit Grant Agreement under the 2005 Plan.*
10.16	Form of Special Restricted Stock Unit Grant Agreement under the 2005 Plan.*
10.17	Form of Performance-Based Restricted Stock Unit Agreement under the 2005 Plan.*
10.18	Form of Performance-Based Restricted Stock Unit Agreement under the 2005 Plan (incorporated by reference to Exhibit 10.02 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, filed on November 8, 2023).*
10.19	Form of Annual Restricted Stock Unit Grant Agreement under the 2005 Plan (incorporated by reference to Exhibit 10.16 of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2023, filed on May 24, 2023).*
10.20	Form of Special Restricted Stock Unit Grant Agreement under the 2005 Plan (incorporated by reference to Exhibit 10.17 of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2023, filed on May 24, 2023).*
10.21	Form of Performance-Based Restricted Stock Unit Agreement under the 2005 Plan (incorporated by reference to Exhibit 10.02 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, filed on August 4, 2022).*
10.22	Form of Annual Restricted Stock Unit Grant Agreement under the 2005 Plan (incorporated by reference to Exhibit 10.12 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed on February 23, 2022).*

Exhibit No.	
10.23	Form of Special Restricted Stock Unit Grant Agreement under the 2005 Plan (incorporated by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed on February 23, 2022).*
10.24	Form of Non-Qualified Stock Option Grant Agreement under the 2005 Plan between the Company and Kevin Plank (incorporated by reference to Exhibit 10.06 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed on February 26, 2020).*
10.25	Form of Non-Qualified Stock Option Grant Agreement under the 2005 Plan between the Company and Kevin Plank (incorporated by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed on February 22, 2019).*
10.26	Form of Executive Employee Confidentiality, Non-Competition, and Non-Solicitation Agreement by and between the Company and certain executives of the Company.*
10.27	Under Armour, Inc. Fiscal 2025 Non-Employee Director Compensation Plan (the "Director Compensation Plan").*
10.28	Form of Initial Restricted Stock Unit Grant under the Director Compensation Plan (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on June 6, 2006).*
10.29	Form of Annual Restricted Stock Unit Grant under the Director Compensation Plan (incorporated by reference to Exhibit 10.06 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, filed on August 4, 2011).*
10.30	Under Armour, Inc. 2006 Non-Employee Director Deferred Stock Unit Plan (the "Director DSU Plan") (incorporated by reference to Exhibit 10.02 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, filed on May 5, 2010).*
10.31	Amendment One to the Director DSU Plan (incorporated by reference to Exhibit 10.23 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, filed on February 24, 2011).*
10.32	Amendment Two to the Director DSU Plan (incorporated by reference to Exhibit 10.02 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, filed on August 3, 2016).*
10.33	Amendment Three to the Director DSU Plan (incorporated by reference to Exhibit 10.22 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed on February 26, 2020).*
10.34	Confidentiality, Non-Competition and Non-Solicitation Agreement, dated June 15, 2015, between the Company and Kevin Plank (the "Plank Non-Compete Agreement") (incorporated by reference to Appendix E to the Preliminary Proxy Statement filed by Under Armour, Inc. on June 15, 2015).*
10.35	First Amendment to the Plank Non-Compete Agreement, dated April 7, 2016 (incorporated by reference to Exhibit 10.03 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, filed on April 29, 2016).*
10.36	Separation Agreement between the Company and Stephanie C. Linnartz dated March 10, 2024, including General Release.*
10.37	Employment Offer Letter (including specific contractual obligations), dated December 14, 2022, by and between Stephanie C. Linnartz and the Company (incorporated by reference to Exhibit 10.01 of the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2022, filed on February 8, 2023)*
10.38	Special Restricted Stock Unit Agreement under the 2005 Plan, dated February 27, 2023, between the Company and Stephanie C. Linnartz (incorporated by reference to Exhibit 10.38 of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2023, filed on May 24, 2023).*
10.39	Executive Employee Confidentiality, Non-Competition and Non-Solicitation Agreement, dated June 26, 2023, by and between Colin Browne and the Company (incorporated by reference to Exhibit 10.01 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, filed on August 8, 2023).*
10.40	Separation Agreement between the Company and David Baxter dated January 29, 2024, including General Release.*
19.01	Under Armour Insider Trading Policy
21.01	List of Subsidiaries.
23.01	Consent of PricewaterhouseCoopers LLP.
31.01	Section 302 Chief Executive Officer Certification.
31.02	Section 302 Chief Financial Officer Certification.
32.01	Section 906 Chief Executive Officer Certification.
32.02	Section 906 Chief Financial Officer Certification.
97.01	Under Armour, Inc. Clawback Policy

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Exhibit No.	
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Management contract or a compensatory plan or arrangement required to be filed as an Exhibit pursuant to Item 15(b) of Form 10-K.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNDER ARMOUR, INC.

By: /s/ KEVIN A. PLANK

Kevin A. Plank

President and Chief Executive Officer

Date: May 29, 2024

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

<u>/s/ KEVIN A. PLANK</u> Kevin A. Plank	President and Chief Executive Officer (principal executive officer)
<u>/s/ DAVID E. BERGMAN</u> David E. Bergman	Chief Financial Officer (principal financial officer and principal accounting officer)
<u>/s/ MOHAMED A. EL-ERIAN</u> Mohamed A. El-Erian	Chair of the Board
<u>/s/ DOUGLAS E. COLTHARP</u> Douglas E. Coltharp	Director
<u>/s/ JERRI L. DEVARD</u> Jerri L. DeVard	Director
<u>/s/ CAROLYN N. EVERSON</u> Carolyn N. Everson	Director
<u>/s/ DAVID W. GIBBS</u> David W. Gibbs	Director
<u>/s/ KAREN W. KATZ</u> Karen W. Katz	Director
<u>/s/ ERIC T. OLSON</u> Eric T. Olson	Director
<u>/s/ PATRICK W. WHITESELL</u> Patrick W. Whitesell	Director

Dated: May 29, 2024

Schedule II
Valuation and Qualifying Accounts

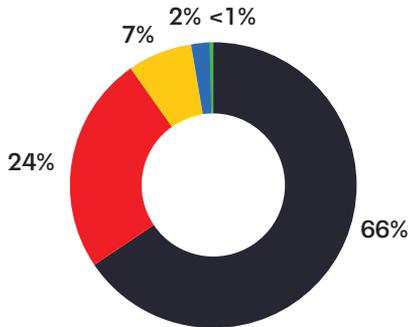
(In thousands)

Description	Balance at Beginning of Year	Charged to Costs and Expenses	Write-Offs Net of Recoveries	Balance at End of Year
Allowance for doubtful accounts				
For the year ended March 31, 2024	\$ 10,813	\$ 6,061	\$ (1,880)	\$ 14,994
For the year ended March 31, 2023	7,113	5,193	(1,493)	10,813
For the three months ended March 31, 2022 (Transition Period)	7,128	(36)	21	7,113
For the year ended December 31, 2021	20,350	(3,821)	(9,401)	7,128
Sales returns and allowances				
For the year ended March 31, 2024	\$ 70,191	\$ (146,700)	\$ 135,727	\$ 59,218
For the year ended March 31, 2023	70,136	(125,816)	125,871	70,191
For the three months ended March 31, 2022 (Transition Period)	69,070	(23,649)	24,715	70,136
For the year ended December 31, 2021	94,179	(96,632)	71,523	69,070
Deferred tax asset valuation allowance				
For the year ended March 31, 2024	\$ 177,026	\$ 116,254	\$ (18,451)	\$ 274,829
For the year ended March 31, 2023	351,603	6,186	(180,763)	177,026
For the three months ended March 31, 2022 (Transition Period)	318,815	34,142	(1,354)	351,603
For the year ended December 31, 2021	389,026	12,604	(82,815)	318,815

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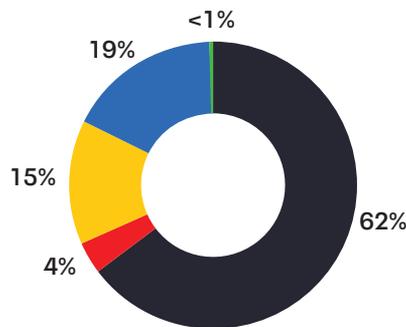
KEY FINANCIALS¹

NET REVENUE BY PRODUCT
(PERCENT OF FY24 TOTAL)



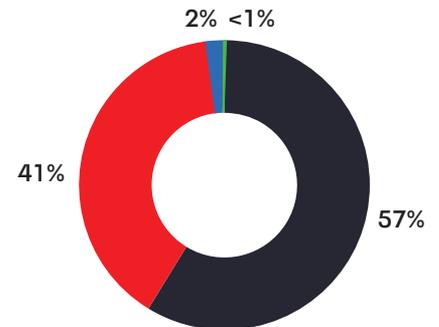
■ Apparel ■ Licensing
■ Footwear ■ Corporate Other
■ Accessories

NET REVENUE BY REGION
(PERCENT OF FY24 TOTAL)



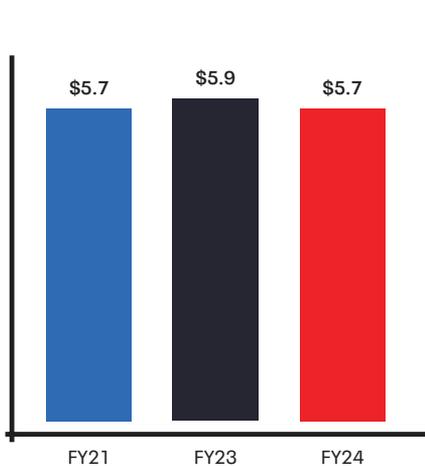
■ North America ■ EMEA
■ Latin America ■ Corporate Other
■ Asia Pacific

NET REVENUE BY CHANNEL
(PERCENT OF FY24 TOTAL)

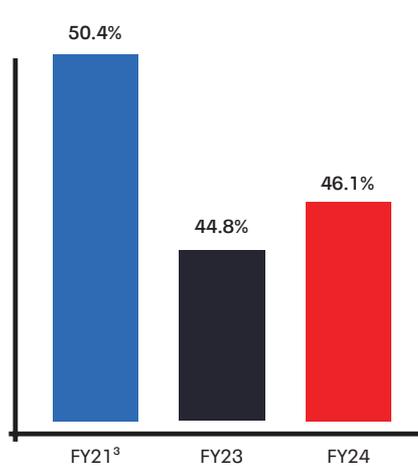


■ Wholesale ■ Licensing
■ Direct to Consumer ■ Corporate Other

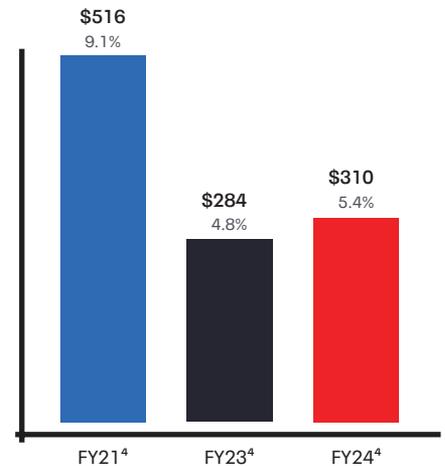
NET REVENUE²
(\$ IN BILLIONS)



GROSS MARGIN^{2,3}
(PERCENT OF REVENUE)



INCOME FROM OPERATIONS^{2,4}
(\$ IN MILLIONS & PERCENT OF REVENUE)



1 Following a transition quarter (January 1 to March 31, 2022), Under Armour changed its fiscal year-end from December 31 to March 31, beginning FY 2023 on April 1, 2022. The company did not have a FY 2022. Accordingly, FY 2021 presented in these charts is not directly comparable to FY 2023 and FY 2024.

2 The Company revised its prior period financial statements for accounting corrections primarily related to cost of goods sold and selling, general and administrative expenses on the Company's Consolidated Statement of Operations, as well as corresponding impacts to the Company's other Consolidated Financial Statements. The impacts of these revisions were not material to the Company's previously filed financial statements. For more information, see Note 1 to the Company's Consolidated Financial Statements included in Part II, Item 8 of the Company's Annual Report on Form 10-K for the year ended March 31, 2024, filed with the Securities and Exchange Commission.

3 Adjusted basis: Excludes 0.1% of restructuring and impairment impacts in FY21; GAAP Basis 50.3% for FY21.

4 Adjusted basis: Excludes \$80M and \$20M litigation reserve in FY24 and FY23, respectively, and excludes \$41M of restructuring and impairment impacts in FY21; GAAP Basis \$230M, \$264M, and \$475M for FY24, FY23, and FY21, respectively.

BOARD OF DIRECTORS



MOHAMED A. EL-ERIAN
Chair of the Board of Directors
Former Chief Executive Officer and
Co-Chief Investment Officer of
PIMCO



KEVIN A. PLANK
President and
Chief Executive Officer



DOUGLAS E. COLTHARP
Executive Vice President
and Chief Financial Officer,
Encompass Health Corporation



JERRI L. DEVARD
Former Executive Vice
President, Chief Customer
Officer of Office Depot, Inc.

CAROLYN N. EVERSON
Senior Advisor for Permira;
Former Vice President, Global
Business Group of Meta



DAVID W. GIBBS
Chief Executive Officer of
Yum! Brands, Inc.



KAREN W. KATZ
Former President and Chief
Executive Officer, Nieman
Marcus Group LTD LLC



ERIC T. OLSON
Admiral U.S. Navy (Retired)
and Former Commander, U.S.
Special Operations Command



PATRICK W. WHITESSELL
Executive Chairman of
Endeavor Holdings Group

