



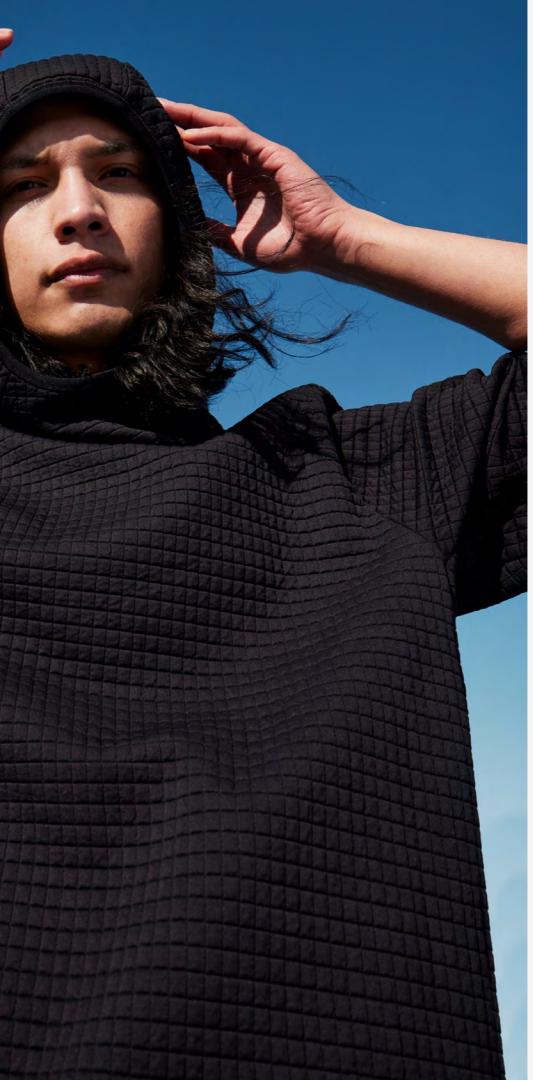
Investment Consulting

- Lululemon VS. Under Armour

Industry Overview

- Sportswear Sector





 lululemon



UNDER ARMOUR



Agenda

- Industrial Overview
- Lululemon
 - Mission & Vision
 - Business Model & Strategies
 - Financial Ratios
 - SWOT Analysis
- Under Armour
 - Mission & Vision
 - Business Model & Strategies
 - Financial Ratios
 - SWOT Analysis
- Industry Comparisons
- Recommendations
- Q & A



Mission & Vision



 lululemon

MISSION

Is to
elevate human potential
by helping people
feel their best



VISION

**Is to create transformative products and experiences
that build meaningful connections,
unlocking greater possibility
and wellbeing for all**

Objectives & Impacts



“Power of Three ×2”

Product Innovation

Create ongoing “Oh sh*t!” moments in the industry and for their guests

“Double Men’s”

Guest Experience

A guest-centric experience that creates connection, celebrates product, and cultivates community

“Double Digital”

Market Expansion

A truly global brand that expands to new guests and communities around the world

**“Quadrupole
International”**





Be Human

Diversity
Gender Equality
Decent Work and Growth
Employee and Leadership Program

5500+ Leadership Program Certifications



Be Well

Equitable access to wellbeing tools and resources

1.4 M+ access to wellbeing resource and tools



Be Planet

Sustainable product
Material innovation
Water and Chemistry
Packaging and waste

100% Renewable electricity
6 Zero Wasted Distribution Center
38% Materials Recycled

Competitive Strategies



Active and Enjoyable
Lifestyle

Fashion Apparel



Premium Price

Customer Service
Hemming pants

Loyalty Program



Team Canadian
Sponsor

The Share Power
KOC

Business Model

- Omni-Channels Sales
- Wide Range of Product
- Does not own or operate any facilities

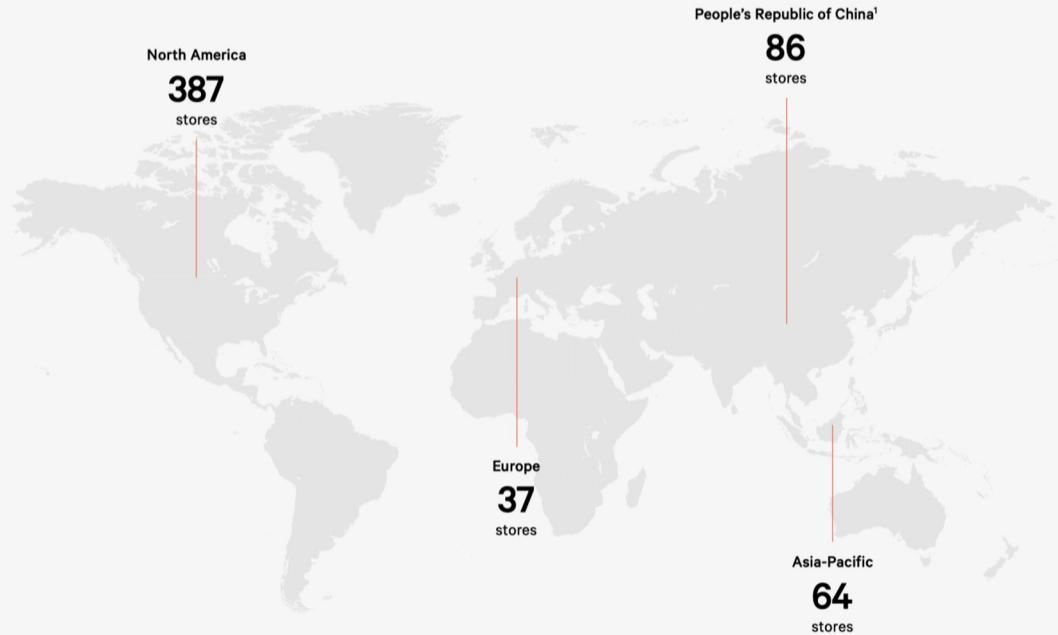
29,000+
employees

574
stores

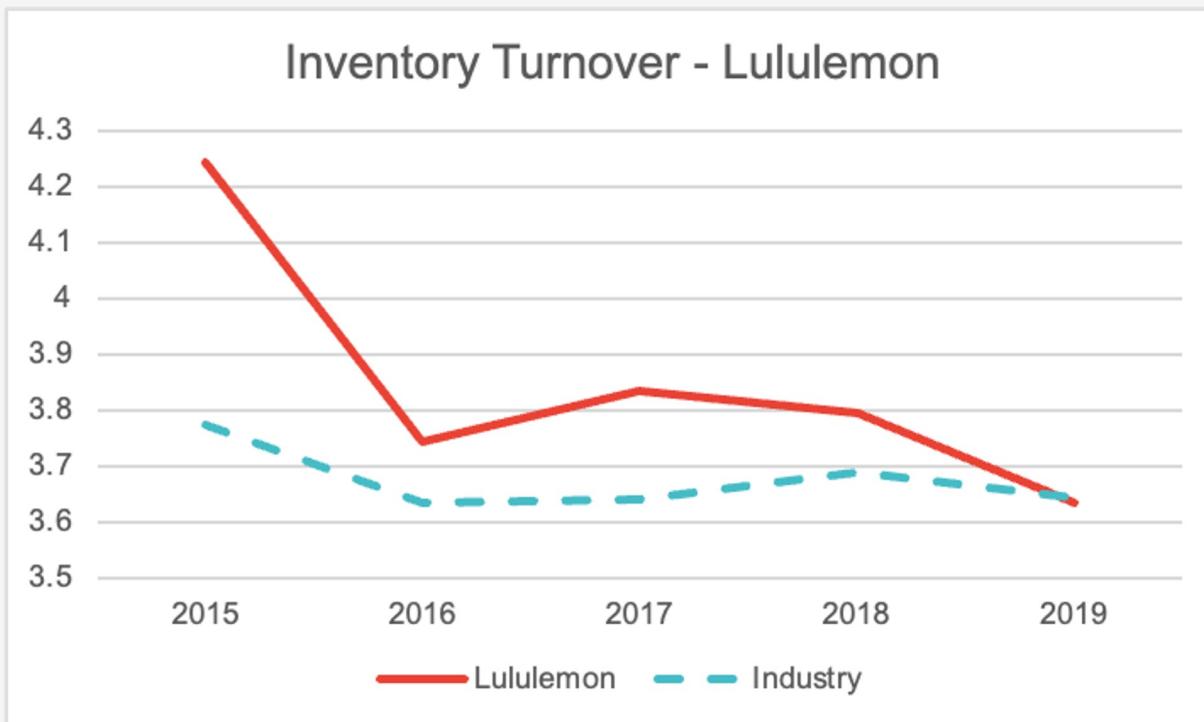
53
new stores opened

17
countries where we have retail stores

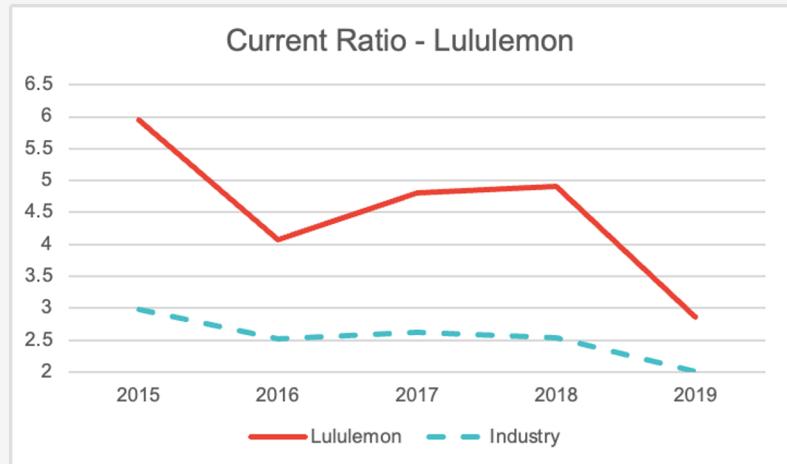
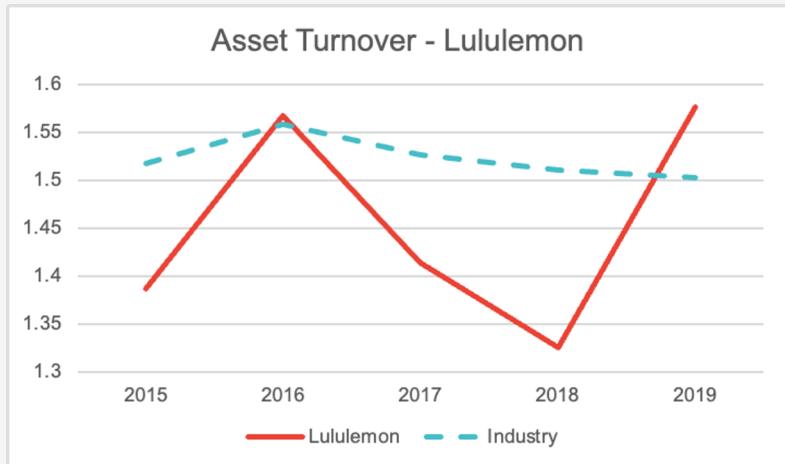
240,000+
workers of suppliers
who make our products



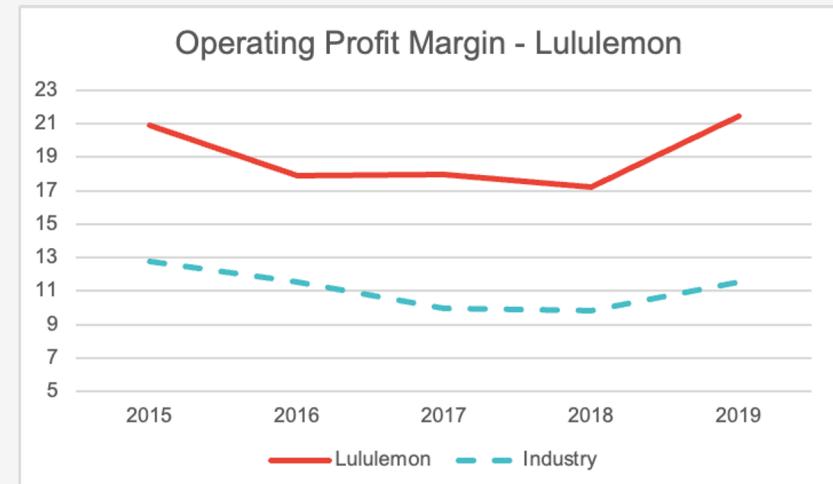
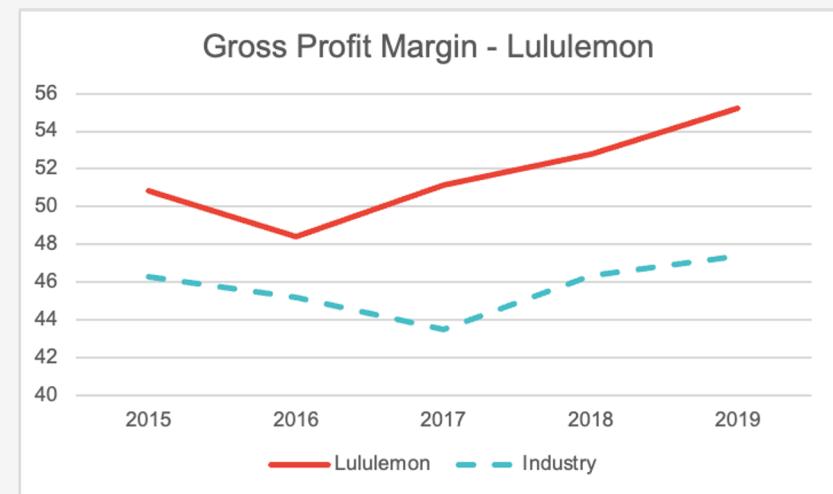
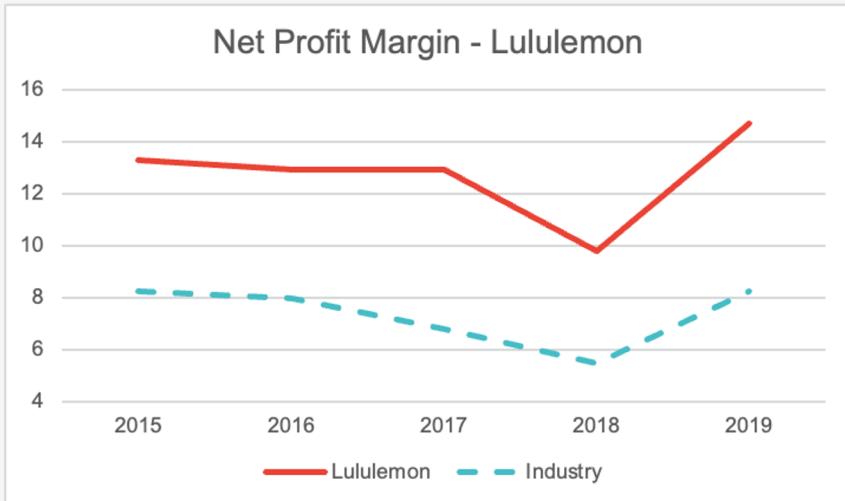
Lululemon: Inventory Turnover



Lululemon: Asset Turnover and Current Ratio



Lululemon: Profit Margins



Lululemon: SWOT Analysis

Strengths

- Go To Market strategies
- Quality trending and stylish apparel
- Highly active on various social media platforms

Weakness

- Relatively high pricing strategy
- Fixed company's image of a Yoga brand
- Limited international presence

Lululemon: SWOT Analysis

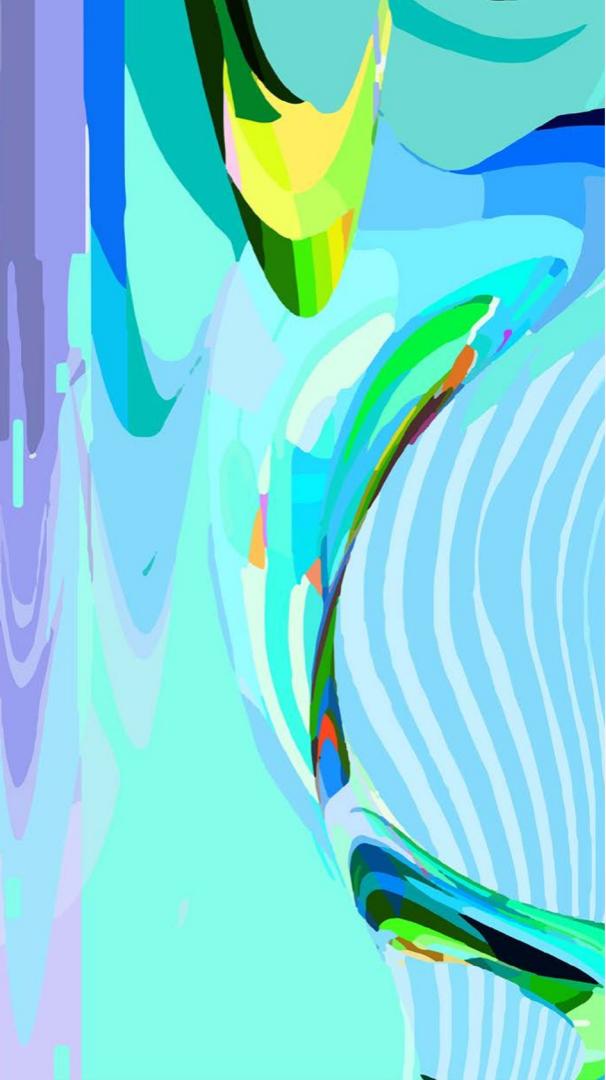
Opportunities

- Global healthy trends
- New environmental policies will bring new opportunities
- Benefits from the expansion of sports fashion industry

Threats

- Sportswear industry is quite saturated, full of competitors
- Price-conscious buyers may look for alternatives
- Decreasing Inventory Turnover





Under Armour



Mission & Vision

Mission

Under Armour Makes You Better.

Vision

**To inspire you with performance
solutions you never knew you needed
and can't imagine living without**



Under Armour: Business Model & Competitive Strategies

Business Model

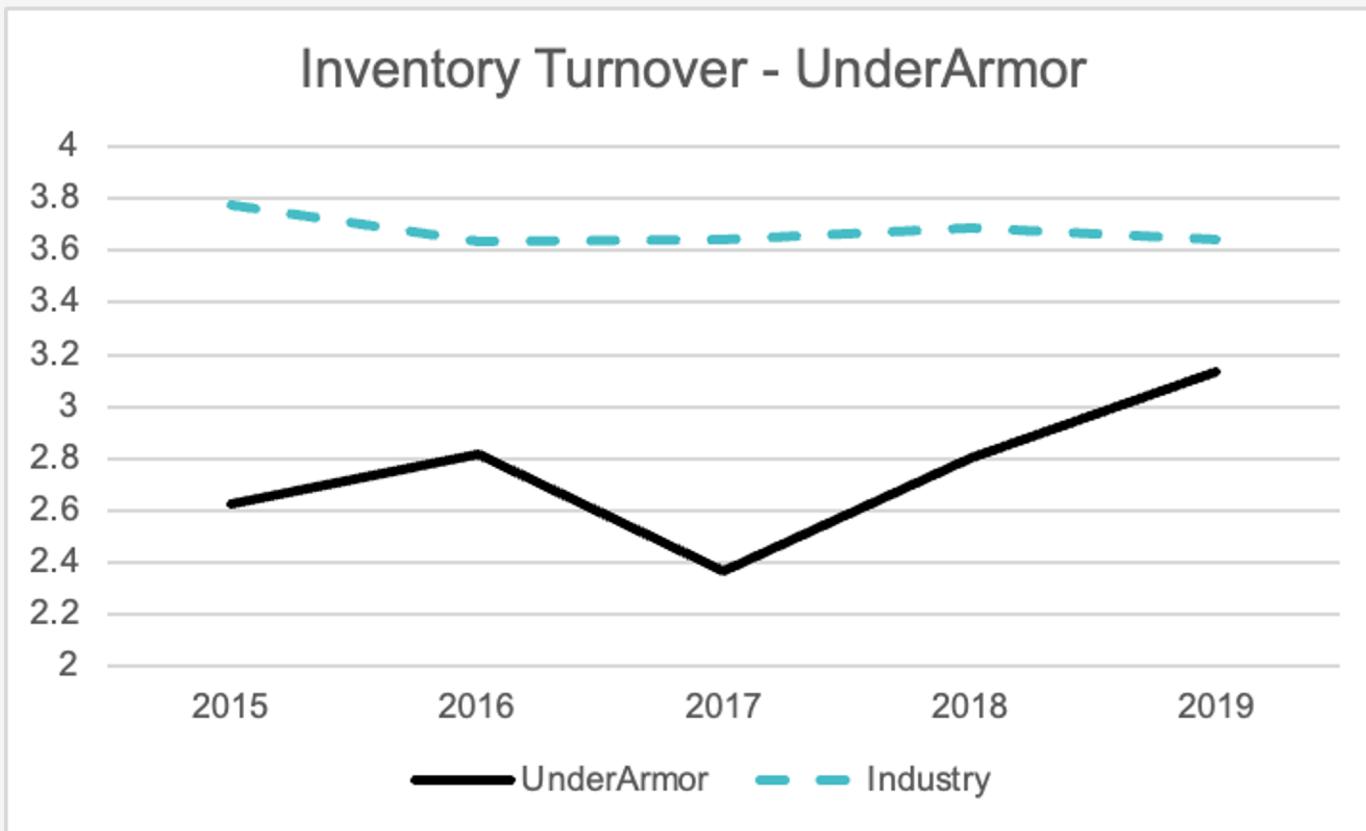
- Products: apparel, footwear, accessories
- Multiple sales and distribution channels
- Stable suppliers

Competitiveness

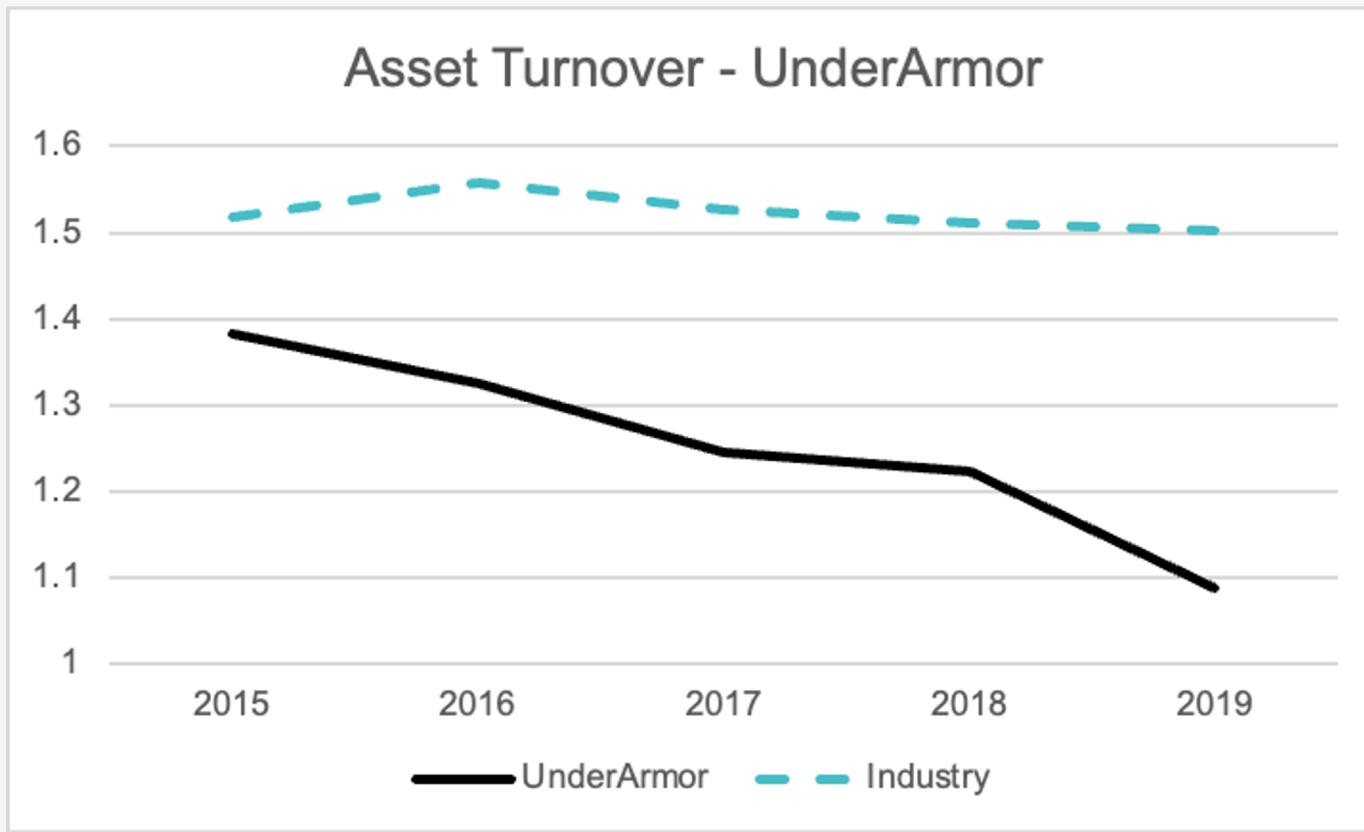
- Employee satisfaction
- Intellectual property
- Endorsement deals with well-known athletes
- Sponsorships



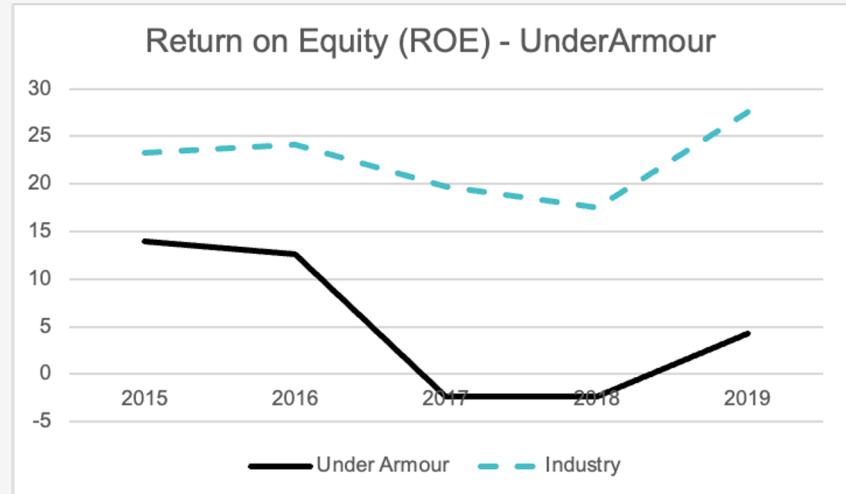
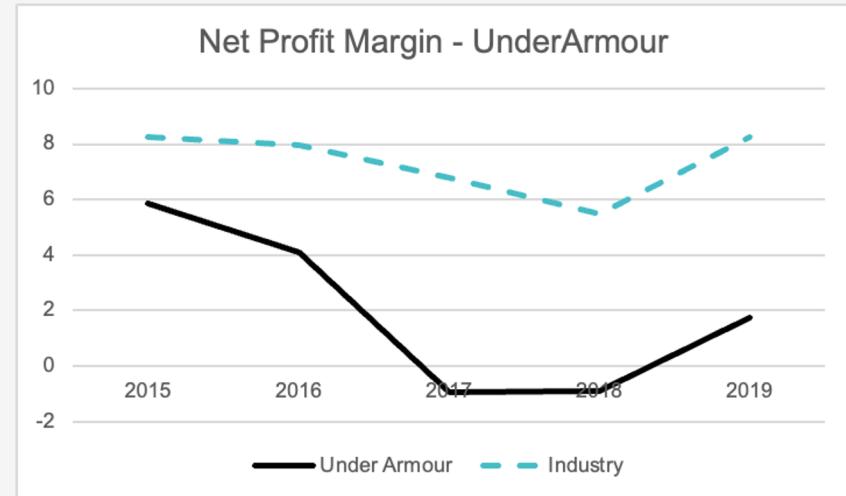
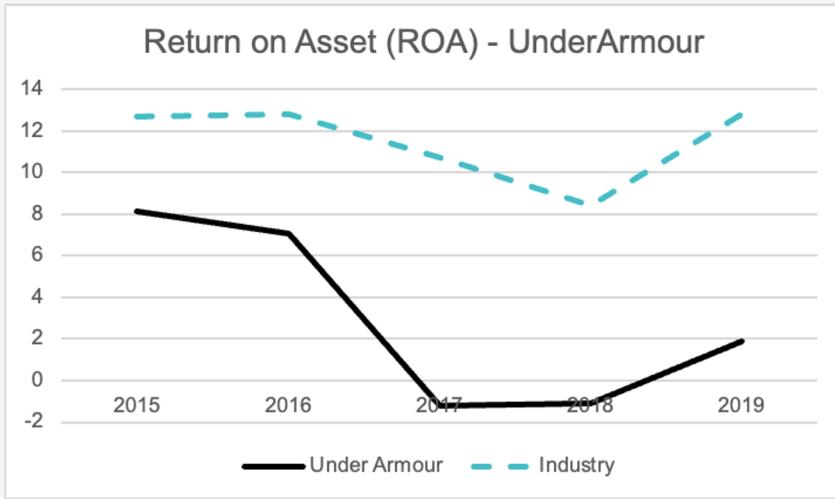
Under Armour: Inventory Turnover



Under Armour: Asset Turnover



Under Armour: Profitability



Under Armour: SWOT Analysis

Strength

S

- Increasing share price
- Digital technology
- Remarkable distribution network
- Official outfitter

Weaknesses

- High Investment Expenditure
- Slow E-Commerce Adoption
- International Presence
- Financial Performances



Under Armour: SWOT Analysis

Opportunities

- E-Commerce
- Global expansion
- Trend of sustainability

Threats

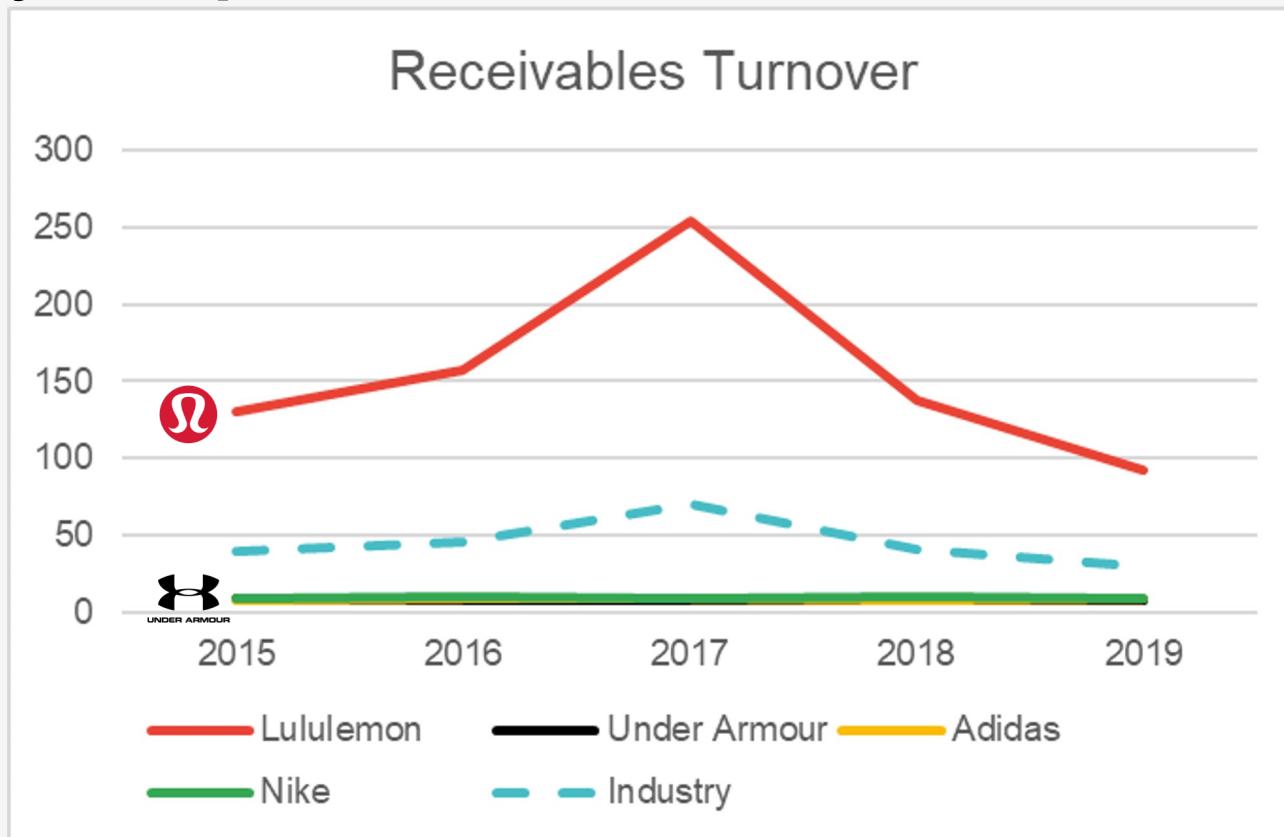
- Product substitutions
- Recession
- Political Polarization



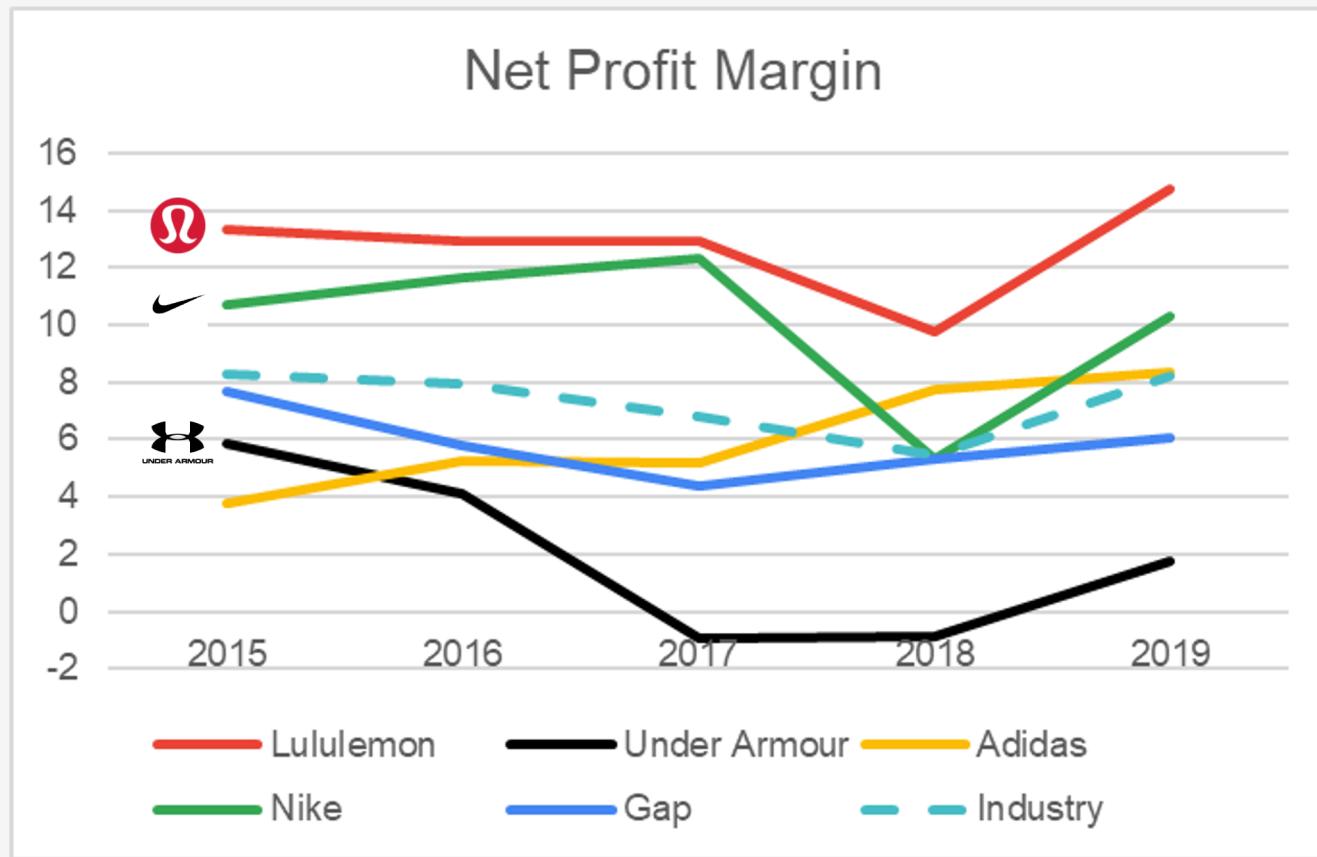
Industry Comparison



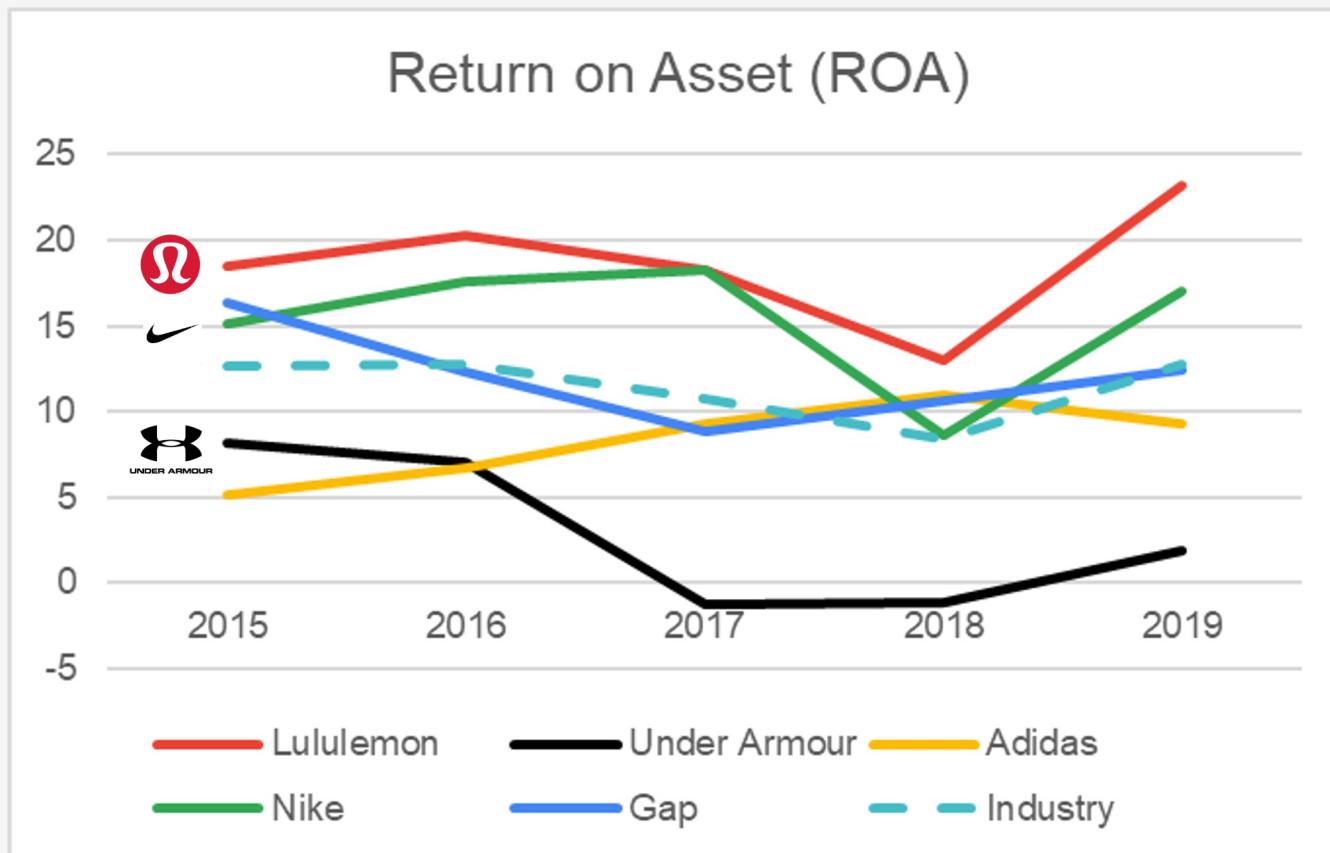
Industry Comparison: Receivables Turnover



Industry Comparison: Net Profit Margin



Industry Comparison: Return on Asset



Recommendation



Lululemon vs Nike

	2015	2016	2017	2018	2019
Inventory turnover	4.243	3.7441	3.836	3.7941	3.6361
Receivables Turnover	130.7444	157.1958	254.8252	138.1725	91.8884
Asset turnover	1.3865	1.568	1.4144	1.3256	1.5774
Current Ratio	5.9482	4.0666	4.8049	4.9087	2.8558
Gross Profit Margin	50.8665	48.3938	51.1696	52.8009	55.2345
Operating profit Margin	20.9231	17.9118	17.9642	17.2129	21.465
Net Profit Margin	13.3002	12.9116	12.9407	9.7638	14.7127
Return on Asset (ROA)	18.4409	20.2459	18.3031	12.9429	23.2071
Return on Equity (ROE)	21.9383	25.8931	22.3079	16.1972	33.4585

Recommendation



Nike vs. Lululemon	2015	2016	2017	2018	2019
Inventory turnover	3.8123	3.5976	3.7662	3.8854	3.8497
Receivables Turnover	9.1129	9.9895	9.3419	10.4051	9.1566
Asset turnover	1.4169	1.5144	1.4768	1.6151	1.6493
Current Ratio	2.4616	2.8042	2.9341	2.5056	2.1008
Gross Profit Margin	45.9691	46.241	44.5764	43.8388	44.6711
Operating Profit Margin	13.6433	13.9054	13.8253	12.2125	12.1993
Net Profit Margin	10.6957	11.6135	12.3435	5.3109	10.2999
Return on Asset (ROA)	15.1549	17.5874	18.2295	8.5774	16.9878
Return on Equity (ROE)	25.7575	30.6739	34.1743	19.7004	44.5686

Timeline



Thank you very much!