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of Contents UNITED STATESSECURITIES AND EXCHANGE COMMISSIONWashington,Â D.C. 20549____FormÂ 10-Q____(Mark One)â˜'QUARTERLY REPORT PURSUANT TO SECTIONÂ 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934For the quarterly period ended December 31, 2024orâ˜TRANSITION REPORT PURSUANT TO SECTIONÂ 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934For the transition period from toCommission File No.Â 001-33202____UNDER ARMOUR, INC.(Exact name of registrant as specified in its charter)____MarylandÂ 52-1990078(State or other jurisdiction ofincorporation or organization)Â (I.R.S. EmployerIdentification No.)101 Performance DriveBaltimore, Maryland 21230Â (410) 468-2512(Address of principal executive offices) (Zip Code)Â (Registrant's telephone number, including area code)1020 Hull Street Baltimore, Maryland 21230(Former address, if changed since last report)Securities registered pursuant to Section 12(b) of the Act:Class A Common StockUAANew York Stock ExchangeClass C Common StockUANew York Stock Exchange(Title of each class)(Trading Symbols)(Name of each exchange on which registered)Indicate by check mark whether the registrant (1)Â has filed all reports required to be filed by SectionÂ 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)Â has been subject to such filing requirements for the past 90 days.Â Â Â Â YesÂ Â â˜'Â Â Â Â NoÂ Â â˜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 (Â§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).Â Â Â Â YesÂ Â â˜'Â Â Â Â NoÂ Â â˜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 filerâ˜'AcceleratedÂ filerâ˜Non-accelerated filerâ˜SmallerÂ reportingÂ companyâ˜Emerging growth companyâ˜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. â˜Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).Â Â Â Â YesÂ Â â˜Â Â Â Â NoÂ Â â˜'As of January 31, 2025 there were 188,822,726 shares of ClassÂ A Common Stock, 34,450,000 shares of Class B Convertible Common Stock and 206,585,018 shares of Class C Common Stock outstanding.Table of Contents UNDER ARMOUR, INC.QUARTERLY REPORT ON FORM 10-QTABLE OF CONTENTSTable of Contents PART I. FINANCIAL INFORMATIONITEM 1. FINANCIAL STATEMENTSUnder Armour, Inc. and SubsidiariesCondensed Consolidated Balance Sheets (Unaudited; In thousands, except share data)December 31, 2024March 31, 2024AssetsCurrent assetsCash and cash equivalents$726,877Â $858,691Â Â Â Â Â Â Â Â Accounts receivable, net (Note 3)615,467Â 757,339Â Inventories1,100,530Â 958,495Â Prepaid expenses and other current assets, net248,119Â 289,157Â Total current assets2,690,993Â 2,863,682Â Property and equipment, net (Note 4)650,644Â 664,503Â Operating lease right-of-use assets (Note 5)391,767Â 434,699Â Goodwill (Note 6)484,546Â 478,302Â Intangible assets, net (Note 7)5,532Â 7,000Â Deferred income taxes (Note 18)244,081Â 221,033Â Other long-term assets163,402Â 91,515Â Total assets$4,630,965Â $4,760,734Â Liabilities and Stockholders' EquityCurrent liabilitiesCurrent maturities of long-term debt (Note 9)$â€"Â $80,919Â Accounts payable657,152Â 483,731Â Accrued expenses322,555Â 287,853Â Customer refund liabilities (Note 12)170,344Â 139,283Â Operating lease liabilities (Note 5)127,930Â 139,331Â Other current liabilities63,035Â 34,344Â Total current liabilities1,341,016Â 1,165,461Â Long-term debt, net of current maturities (Note 9)595,188Â 594,873Â Operating lease liabilities, non-current (Note 5)582,020Â 627,665Â Other long-term liabilities128,018Â 219,449Â Total liabilities2,646,242Â 2,607,448Â Stockholders' equity (Note 11)Class A Common Stock, $0.0003 1/3 par value; 400,000,000 shares authorized as of December 31, 2024 and March 31, 2024; 188,822,726 shares issued and outstanding as of December 31, 2024 (March 31, 2024: 188,802,043) 63Â 63Â Class B Convertible Common Stock, $0.0003 1/3 par value; 34,450,000 shares authorized, issued and outstanding as of December 31, 2024 and March 31, 202411Â 11Â Class C Common Stock, $0.0003 1/3 par value; 400,000,000 shares authorized as of December 31, 2024 and March 31, 2024; 206,495,528 shares issued and outstanding as of December 31, 2024 (March 31, 2024: 212,711,353)68Â 70Â Additional paid-in capital1,224,337Â 1,181,854Â Retained earnings840,288Â 1,048,411Â Accumulated other comprehensive income (loss)(80,044)(77,123)Total stockholders' equity1,984,723Â 2,153,286Â Total liabilities and stockholders' equity$4,630,965Â $4,760,734Â Commitments and Contingencies (Note 10)See accompanying notes.1Table of Contents Under Armour,Â Inc. and Subsidiaries Condensed Consolidated Statements of Operations(Unaudited; In thousands, except per share amounts)Â Three Months Ended December 31,Nine Months Ended December 31,2024202320242023Net revenues (Note 12)$1,401,039Â $1,486,043Â $3,983,727Â $4,369,682Â Cost of goods sold735,884Â 815,404Â 2,059,765Â 2,339,025Â Gross profit665,155Â 670,639Â 1,923,962Â 2,030,657Â Selling, general and administrative expenses637,701Â 599,230Â 1,994,858Â 1,797,352Â Restructuring charges (Note 13)13,945Â â€"Â 42,243Â â€"Â Income (loss) from operations13,509Â 71,409Â (113,139)233,305Â Interest income (expense), net(3,391)(211)(2,794)(2,210)Other income (expense), net(2,563)47,927Â (8,713)35,763Â Income (loss) before income taxes7,555Â 119,125Â (124,646)266,858Â Income tax expense (benefit) (Note 18)6,295Â 8,569Â 9,308Â 41,333Â Income (loss) from equity method investments(26)197Â 144Â (51)Net income (loss)$1,234Â $110,753Â $(133,810)$225,474Â Basic net income (loss) per share of Class A, B and C common stock (Note 19)$0.00Â $0.25Â (0.31)0.51Â Diluted net income (loss) per share of Class A, B and C common stock (Note 19)$0.00Â $0.25Â (0.31)0.50Â Weighted average common shares outstanding Class A, B and C common stockBasic431,744Â 437,314Â 433,212Â 441,893Â Diluted437,297Â 448,435Â 433,212Â 452,208Â See accompanying notes.2Table of Contents Under Armour,Â Inc. and SubsidiariesCondensed Consolidated Statements of Comprehensive Income (Loss)(Unaudited; In thousands)Â Three Months Ended December 31,Nine Months Ended December 31,2024202320242023Net income (loss)$1,234Â $110,753Â $(133,810)$225,474Â Other comprehensive income (loss):Foreign currency translation adjustment(30,087)17,257Â (37,344)9,179Â Unrealized gain (loss) on cash flow hedges, net of tax benefit (expense) of $(13,907) and $8,837, for the three months ended December 31, 2024 and 2023, respectively; $(13,447) and $6,629 for the nine months ended December 31, 2024 and 2023, respectively.46,832Â (36,070)35,651Â (17,840)Gain (loss) on intra-entity foreign currency transactions(5,442)2,815Â (1,228)(6,556)Total other comprehensive income (loss)11,303Â (15,998)(2,921)(15,217)Comprehensive income (loss)$12,537Â $94,755Â $(136,731)$210,257Â See accompanying notes.3Table of Contents Under Armour,Â Inc. and SubsidiariesCondensed Consolidated Statements of Stockholders' Equity (Unaudited; In thousands) Class ACommonÂ StockClass BConvertibleCommon StockClass CCommonÂ StockAdditional Paid-in-CapitalRetainedEarningsAccumulated Other Comprehensive Income (Loss)TotalEquitySharesAmountSharesAmountSharesAmountBalance as of September 30, 2023188,725Â $63Â 34,450Â $11Â 214,689Â $71Â $1,162,548Â $958,412Â $(67,061)$2,054,044Â Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangementsâ€"Â â€"Â â€"Â â€"Â (15)â€"Â â€"Â (110)â€"Â (110)Excise tax on repurchases of common stockâ€"Â â€"Â â€"Â â€"Â â€"Â â€"Â (225)â€"Â â€"Â (225)Class C Common Stock repurchased â€"Â â€"Â â€"Â â€"Â (3,069)(1)(1,522)(23,477)â€"Â (25,000)Issuance of ClassÂ A Common Stock, net of forfeitures62Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â Issuance of Class C Common Stock, net of forfeituresâ€"Â â€"Â â€"Â â€"Â 381Â â€"Â 662Â â€"Â â€"Â 662Â Stock-based compensation expenseâ€"Â â€"Â â€"Â â€"Â â€"Â â€"Â 9,806Â â€"Â â€"Â 9,806Â Comprehensive income (loss)â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â 110,753Â (15,998)94,755Â Balance as of December 31, 2023188,787Â $63Â 34,450Â $11Â 211,986Â $70Â $1,171,269Â $1,045,578Â $(83,059)$2,133,932Â Balance as of March 31, 2023188,705Â $63Â 34,450Â $11Â 221,347Â $73Â $1,136,536Â $897,306Â $(67,842)$1,966,147Â Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangementsâ€"Â â€"Â â€"Â â€"Â (348)â€"Â â€"Â (2,428)â€"Â (2,428)Excise tax on repurchases of common stockâ€"Â â€"Â â€"Â â€"Â â€"Â â€"Â (650)â€"Â â€"Â (650)Class C Common Stock repurchasedâ€"Â â€"Â â€"Â â€"Â (10,685)(3)(223)(74,774)â€"Â (75,000)Issuance of ClassÂ A Common Stock, net of forfeitures82Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â Issuance of Class C Common Stock, net of forfeituresâ€"Â â€"Â â€"Â â€"Â 1,672Â â€"Â 2,443Â â€"Â â€"Â 2,443Â Stock-based compensation expenseâ€"Â â€"Â â€"Â â€"Â â€"Â â€"Â 33,163Â â€"Â â€"Â 33,163Â Comprehensive income (loss)â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â 225,474Â (15,217)210,257Â Balance as of December 31, 2023188,787Â $63Â 34,450Â $11Â 211,986Â $70Â $1,171,269Â $1,045,578Â $(83,059)$2,133,932Â 4Table of Contents Under Armour,Â Inc. and SubsidiariesCondensed Consolidated Statements of Stockholders' Equity (Unaudited; In thousands) Class ACommonÂ StockClass BConvertibleCommon StockClass CCommonÂ StockAdditional Paid-in-CapitalRetainedEarningsAccumulated Other Comprehensive Income (Loss)TotalEquitySharesAmountSharesAmountSharesAmountBalance as of September 30, 2024188,822Â $63Â 34,450Â $11Â 209,058Â $69Â $1,212,378Â $864,027Â $(91,347)$1,985,201Â Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangementsâ€"Â â€"Â â€"Â â€"Â (65)â€"Â â€"Â (601)â€"Â (601)Excise tax on repurchases of common stockâ€"Â â€"Â â€"Â â€"Â â€"Â â€"Â (278)â€"Â â€"Â (278)Class C Common Stock repurchasedâ€"Â â€"Â â€"Â â€"Â (2,781)(1)(627)(24,372)â€"Â (25,000)Issuance of ClassÂ A Common Stock, net of forfeitures1Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â Issuance of Class C Common Stock, net of forfeituresâ€"Â â€"Â â€"Â â€"Â 284Â â€"Â 538Â â€"Â â€"Â 538Â Stock-based compensation expenseâ€"Â â€"Â â€"Â â€"Â â€"Â â€"Â 12,326Â â€"Â â€"Â 12,326Â Comprehensive income (loss)â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â 1,234Â 11,303Â 12,537Â Balance as of December 31, 2024188,823Â $63Â 34,450Â $11Â 206,496Â $68Â $1,224,337Â $840,288Â $(80,044)$1,984,723Â Balance as of March 31, 2024188,802Â $63Â 34,450Â $11Â 212,711Â $70Â $1,181,854Â $1,048,411Â $(77,123)$2,153,286Â Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangementsâ€"Â â€"Â â€"Â â€"Â (1,320)â€"Â â€"Â (9,000)â€"Â (9,000)Excise tax on repurchases of common stockâ€"Â â€"Â â€"Â â€"Â â€"Â â€"Â (478)â€"Â â€"Â (478)Class C Common Stock repurchasedâ€"Â â€"Â â€"Â â€"Â (8,721)(3)316Â (65,313)â€"Â (65,000)Issuance of ClassÂ A Common Stock, net of forfeitures21Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â Issuance of Class C Common Stock, net of forfeituresâ€"Â â€"Â â€"Â â€"Â 3,826Â 1Â 1,851Â â€"Â â€"Â 1,852Â Stock-based compensation expenseâ€"Â â€"Â â€"Â â€"Â â€"Â â€"Â 40,794Â â€"Â â€"Â 40,794Â Comprehensive income (loss)â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â (133,810)(2,921)(136,731)Balance as of December 31, 2024188,823Â $63Â 34,450Â $11Â 206,496Â $68Â $1,224,337Â $840,288Â $(80,044)$1,984,723Â See accompanying notes.5Table of Contents Under Armour,Â Inc. and SubsidiariesCondensed Consolidated Statements of Cash Flows (Unaudited; In thousands)Â Nine Months Ended December 31,20242023Cash flows from operating activitiesNet income (loss)$(133,810)$225,474Â Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activitiesDepreciation and amortization96,786Â 102,113Â Unrealized foreign currency exchange rate (gain) loss8,072Â (904)Loss on disposal of property and equipment4,039Â 746Â Non-cash restructuring and impairment charges38,575Â â€"Â Amortization of bond premium and debt issuance costs1,703Â 1,565Â Stock-based compensation40,794Â 33,163Â Deferred income taxes(8,784)(24,430)Changes in reserves and allowances10,480Â 25,085Â Changes in operating assets and liabilities:Accounts receivable136,658Â 58,044Â Inventories(149,362)72,578Â Prepaid expenses and other assets2,988Â (56,261)Other non-current assets(39,662)37,494Â Accounts payable172,504Â 32,100Â Accrued expenses and other liabilities(65,207)(38,737)Customer refund liabilities30,838Â 80Â Income taxes payable and receivable(3,732)8,753Â Net cash provided by (used in) operating activities142,880Â 476,863Â Cash flows from investing activitiesPurchases of property and equipment(139,860)(116,541)Sale of MyFitnessPal platform50,000Â 45,000Â Sale of MapMyFitness platform8,000Â â€"Â Purchase of UNLESS COLLECTIVE, Inc, net of cash acquired(9,788)â€"Â Purchase of equity method investment in ISC Sport(7,546)â€"Â Net cash provided by (used in) investing activities(99,194)(71,541)Cash flows from financing activitiesCommon shares repurchased(65,000)(75,000)Repayment of long-term debt(80,919)â€"Â Employee taxes paid for shares withheld for income taxes(9,000)(2,428)Proceeds from exercise of stock options and other stock issuances1,852Â 2,443Â Payments of debt financing costs(1,388)â€"Â Net cash provided by (used in) financing activities(154,455)(74,985)Effect of exchange rate changes on cash, cash equivalents and restricted cash(20,982)136Â Net increase (decrease) in cash, cash equivalents and restricted cash(131,751)330,473Â Cash, cash equivalents and restricted cashBeginning of period876,917Â 726,745Â End of period$745,166Â $1,057,218Â Non-cash investing and financing activitiesChange in accrual for property and equipment$(8,587)$(3,928)Reconciliation of cash, cash equivalents and restricted cashDecember 31, 2024December 31, 2023Cash and cash equivalents$726,877Â $1,039,109Â Restricted cash18,289Â 18,109Â Total cash, cash equivalents and restricted cash$745,166Â $1,057,218Â See accompanying notes.6Table of Contents Under Armour,Â Inc. and SubsidiariesNotes to the Condensed Consolidated Financial Statements(Unaudited; Tabular amounts in thousands, except share and per share data)NOTE 1.Â DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATIONBusinessUnder 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.Basis of PresentationThe accompanying unaudited Condensed Consolidated Financial Statements are presented in U.S. Dollars and include the accounts of Under Armour, Inc. and its wholly owned subsidiaries. Certain information in footnote disclosures normally included in annual financial statements were condensed or omitted for the interim periods presented in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") and accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim consolidated financial statements. 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.The unaudited Condensed Consolidated Balance Sheets as of DecemberÂ 31, 2024 is derived from the audited financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024 ("Fiscal 2024"), filed with the SEC on May 29, 2024 ("Annual Report on Form 10-K for Fiscal 2024"), which should be read in conjunction with these unaudited Condensed Consolidated Financial Statements. The unaudited results for the three and nine months ended DecemberÂ 31, 2024 are not necessarily indicative of the results to be expected for the fiscal year ending March 31, 2025 ("Fiscal 2025"), or any other portions thereof.ReclassificationsCertain prior period comparative amounts have been reclassified to conform to the current period presentation. Such reclassifications were not material and did not affect the unaudited Condensed Consolidated Financial Statements.Equity Method InvestmentIn November 2024, the Company invested $7.5 million in exchange for 29.5% common stock ownership in ISC Sport (ISC), an Australian custom teamwear company. This investment is accounted for under the equity method, given the Company has the ability to exercise significant influence, but not control, and is included in other long-term assets on the Condensed Consolidated Balance Sheets.Revisions to previously issued financial statementsAs previously disclosed in the Company's Annual Report on Form 10-K for Fiscal 2024, 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 revised its previously issued annual consolidated financial statements to correct these errors. See Note 1 to the Companyâ€™s Consolidated Financial Statements included in Part II, Item 8 of the Companyâ€™s Annual Report on Form 10-K for Fiscal 2024, filed with the SEC on May 29, 2024 for additional details. The following tables set forth the Companyâ€™s revisions to the unaudited Condensed Consolidated Statements of Operations for the three and nine months ended DecemberÂ 31, 2023 and unaudited Condensed Consolidated Statements of Cash Flows for the nine months ended December 31, 2023. The unaudited Condensed Consolidated Financial Statements and accompanying notes included within this Quarterly Report on Form 10-Q have been revised to reflect these corrections.7Table of Contents Condensed Consolidated Statements of Operations Three Months Ended December 31, 2023Nine Months Ended December 31, 2023(in thousands)As Previously ReportedAdjustmentAs RevisedAs Previously ReportedAdjustmentAs RevisedNet revenues$1,486,095Â (52)1,486,043Â $4,369,817Â (135)4,369,682Â Cost of goods sold814,914Â 490Â 815,404Â 2,338,905Â 120Â 2,339,025Â Gross profit671,181Â (542)670,639Â 2,030,912Â (255)2,030,657Â Selling, general and administrative expenses601,661Â (2,431)599,230Â 1,794,703Â 2,649Â 1,797,352Â Income (loss) from operations69,520Â 1,889Â 71,409Â 236,209Â (2,904)233,305Â Interest income (expense), net(211)â€"Â (211)(2,210)â€"Â (2,210)Other income (expense), net49,636Â (1,709)47,927Â 36,822Â (1,059)35,763Â Income (loss) before income taxes118,945Â 180Â 119,125Â 270,821Â (3,963)266,858Â Income tax expense (benefit) 4,999Â 3,570Â 8,569Â 38,464Â 2,869Â 41,333Â Income (loss) from equity method investments197Â â€"Â 197Â (51)â€"Â (51)Net income (loss)$114,143Â $(3,390)$110,753Â $232,306Â $(6,832)$225,474Â Basic net income (loss) per share$0.26Â (0.01)0.25Â $0.53Â (0.02)0.51Â Diluted net income (loss) per share$0.26Â (0.01)0.25Â $0.52Â (0.02)0.50Â Condensed Consolidated Statements of Cash Flows Nine Months Ended December 31, 2023(in thousands)As Previously ReportedAdjustmentAs RevisedCash flows from operating activitiesNet income (loss)$232,306Â $(6,832)$225,474Â Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activitiesDepreciation and amortization106,685Â (4,572)102,113Â Unrealized foreign currency exchange rate (gain) loss(904)â€"Â (904)Loss on disposal of property and equipment746Â â€"Â 746Â Amortization of bond premium and debt issuance costs1,565Â â€"Â 1,565Â Stock-based compensation33,163Â â€"Â 33,163Â Deferred income taxes(24,430)â€"Â (24,430)Changes in reserves and allowances25,085Â â€"Â 25,085Â Changes in operating assets and liabilities:Accounts receivable55,912Â 2,132Â 58,044Â Inventories71,400Â 1,178Â 72,578Â Prepaid expenses and other assets(45,363)(10,898)(56,261)Other non-current assets42,149Â (4,655)37,494Â Accounts payable31,470Â 630Â 32,100Â Accrued expenses and other liabilities(42,630)3,893Â (38,737)Customer refund liability80Â â€"Â 80Â Income taxes payable and receivable5,884Â 2,869Â 8,753Â Net cash provided by (used in) operating activities493,118Â (16,255)476,863Â Cash flows from investing activitiesPurchases of property and equipment(132,796)16,255Â (116,541)Sale of MyFitnessPal platform45,000Â â€"Â 45,000Â Net cash provided by (used in) investing activities(87,796)16,255Â (71,541)Cash flows from financing activitiesNet cash provided by (used in) financing activities(74,985)â€"Â (74,985)Effect of exchange rate changes on cash, cash equivalents and restricted cash136Â â€"Â 136Â Net increase (decrease) in cash, cash equivalents and restricted cash330,473Â â€"Â 330,473Â Cash, cash equivalents and restricted cashBeginning of period727,726Â (981)726,745Â End of period$1,058,199Â (981)1,057,218Â 8Table of Contents Management EstimatesThe 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 Condensed 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. Refer to the risk factors discussed in Part I, Item 1A "Risk Factors" of the Company's Annual Report on Form 10-K for Fiscal 2024.NOTE 2.Â RECENT ACCOUNTING PRONOUNCEMENTSRecently Adopted Accounting PronouncementsThe Company assesses the applicability and impact of all Accounting Standard Updates ("ASUs") issued by the Financial Accounting Standards Board ("FASB"). There were no ASUs adopted during the first nine months of Fiscal 2025. Supplier Finance ProgramsIn 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 will be effective for the Company's Annual Report on Form 10-K for Fiscal 2025. The adoption did not have a material impact on the Company's Condensed Consolidated Financial Statements. Refer to Note 8 of these Condensed 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 Condensed Consolidated Financial Statements and related disclosures.Disaggregation of Income Statement ExpensesIn November 2024, the FASB issued ASU 2024-03 "Income Statement â€" Reporting Comprehensive Income â€" Expense Disaggregation Disclosures" ("ASU 2024-03"), which will require disaggregated disclosure of certain costs and expenses, including purchases of inventory, employee compensation, depreciation, amortization and depletion, within relevant income statement captions. ASU 2024-03 is effective for the Company's Fiscal 2028 annual period and interim periods thereafter. 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.Income TaxIn 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.Reportable SegmentsIn November 2023, the FASB issued ASU 2023-07 "Improvements to Reportable Segment Disclosures" ("ASU 2023-07"), which requires expanded disclosures about an entityâ€™s reportable segments, 9Table of Contents including more enhanced information about a reportable segmentâ€™s expenses, interim segment profit or loss, and how an entityâ€™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 the Company's Fiscal 2025 annual period and interim periods thereafter. The Company is finalizing its evaluation of ASU 2023-07 and expects the adoption to expand its disclosures, but does not expect it to have a material impact on its consolidated financial statements. NOTE 3.Â ALLOWANCE FOR DOUBTFUL ACCOUNTSThe Company's allowance for doubtful accounts was established with information available as of DecemberÂ 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, netBalance as of March 31, 2024$14,994Â Increases to costs and expenses5,582Â Write-offs, net of recoveries(1,217)Balance as of December 31, 2024$19,359Â NOTE 4.Â PROPERTY AND EQUIPMENT, NETProperty and equipment consisted of the following:As of December 31, 2024As of March 31, 2024Leasehold and tenant improvements$440,319Â $495,181Â Furniture, fixtures and displays305,918Â 301,897Â Buildings213,832Â 68,230Â Software280,314Â 350,811Â Office equipment138,483Â 139,223Â Plant equipment190,103Â 178,316Â Land73,244Â 82,410Â Construction in progress (1)20,800Â 175,960Â Other25,846Â 28,910Â Subtotal property and equipment1,688,859Â 1,820,938Â Accumulated depreciation(1,038,215)(1,156,435)Property and equipment, net$650,644Â $664,503Â (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.During the three months ended DecemberÂ 31, 2024, the Company relocated to its new global headquarters. As a result of vacating its former global headquarters, the Company performed an impairment analysis and recognized an impairment charge of $28.4Â million within selling, general and administrative expenses on the Condensed Consolidated Statements of Operations to reduce the carrying value to its estimated fair value. Additionally, during the three months ended DecemberÂ 31, 2024, the property and equipment associated with the new global headquarters, which had been previously classified as construction in progress, were placed into service.Depreciation expense related to property and equipment for the three and nine months ended DecemberÂ 31, 2024 was $30.9Â million and $95.6Â million, respectively (three and nine months ended DecemberÂ 31, 2023: $33.5Â million and $101.0Â million, respectively).10Table of Contents NOTE 5.Â LEASESThe 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. Short-term lease payments were not material for the periods presented.Lease Costs and Other InformationThe Company recognizes lease expense on a straight-line basis over the lease term. There are no residual value guarantees that exist, and there are no restrictions or covenants imposed by leases. 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 Condensed Consolidated Statements of Operations, for the periods indicated:Three Months Ended December 31,Nine Months Ended December 31,2024202320242023Operating lease costs$37,580Â $37,535Â $113,040Â $112,845Â Variable lease costs$27,400Â $22,290Â $76,940Â $64,452Â As previously disclosed, historically, variable lease costs primarily consisted of lease payments dependent on sales in Brand and Factory House stores. Prior period amounts, included in the table above, 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 Condensed Consolidated Statements of Operations.The Company subleases certain excess office facilities, retail space and warehouse space to third parties. Sublease income for the three and nine months ended DecemberÂ 31, 2024 was $3.3 million and $6.1 million, respectively. Sublease income for the three and nine months ended December 31, 2023 was not material.The weighted average remaining lease term and discount rate for the periods indicated below were as follows:As of December 31, 2024As of March 31, 2024Weighted average remaining lease term (in years)7.337.62Weighted average discount rate4.92Â %4.95Â %Supplemental Cash Flow InformationThe following table presents supplemental information relating to cash flow arising from lease transactions:Three Months Ended December 31,Nine Months Ended December 31,2024202320242023Operating cash outflows from operating leases$46,243Â $44,941Â $139,089Â $133,259Â Leased assets obtained in exchange for new operating lease liabilities$13,840Â $29,239Â $50,156Â $50,698Â 11Table of Contents Maturity of Lease LiabilitiesThe following table presents the future minimum lease payments under the Company's operating lease liabilities as of DecemberÂ 31, 2024:Fiscal year ending March 31,2025 (three months ending)$40,712Â 2026155,201Â 2027133,576Â 2028113,941Â 202976,380Â 2030 and thereafter321,524Â Total lease payments$841,334Â Less: Interest131,384Â Total present value of lease liabilities$709,950Â As of DecemberÂ 31, 2024, the Company has additional operating lease obligations that have not yet commenced of approximately $70.2 million, which are not reflected in the table above. This amount includes approximately $56.6Â million relating to an agreement with a third-party logistics provider to operate a distribution center in the Netherlands. This agreement has been assessed as containing a lease and is scheduled to commence in February 2026.NOTE 6.Â GOODWILLThe following table summarizes changes in the carrying amount of the Company's goodwill by reportable segment as of the periods indicated:Â North America EMEAAsia-PacificTotalBalance as of March 31, 2024$301,371Â $101,958Â $74,973Â $478,302Â Purchase of UNLESS COLLECTIVE, Inc (1)9,784Â â€”Â â€”Â 9,784Â Effect of currency translation adjustmentâ€”Â (2,489)(1,051)(3,540)Balance as of December 31, 2024$311,155Â $99,469Â $73,922Â $484,546Â (1) The goodwill is not expected to be deductible for tax purposes. NOTE 7.Â INTANGIBLE ASSETS, NETThe following tables summarize the Company's intangible assets as of the periods indicated:Â Useful Lives from Date of Acquisitions (in years)As of December 31, 2024Gross CarryingAmountAccumulatedAmortizationNet CarryingAmountIntangible assets subject to amortization:Customer relationships2-6$8,517Â $(6,666)$1,851Â Lease-related intangible assets1-151,522Â (1,469)53Â Total$10,039Â $(8,135)$1,904Â Indefinite-lived intangible assets 3,628Â Intangible assets, net$5,532Â 12Table of Contents Â Useful Lives from Date of Acquisitions (in years)As of March 31, 2024Gross CarryingAmountAccumulatedAmortizationNet CarryingAmountIntangible assets subject to amortization:Customer relationships2-6$8,609Â $(5,708)$2,901Â Lease-related intangible assets1-151,756Â (1,677)79Â Total$10,365Â $(7,385)$2,980Â Indefinite-lived intangible assets4,020Â Intangible assets, net$7,000Â Amortization expense, which is included in selling, general and administrative expenses, for the three and nine months ended DecemberÂ 31, 2024 was $0.4Â million and $1.1Â million, respectively (three and nine months ended DecemberÂ 31, 2023: $0.4Â million and $1.1Â million, respectively).The following is the estimated future amortization expense for the Company's intangible assets as of DecemberÂ 31, 2024:Fiscal year ending March 31,2025 (three months ending)$406Â 20261,489Â 20279Â 2028 and thereafterâ€”Â Total amortization expense of intangible assets$1,904Â 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 Companyâ€™s obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by the supplierâ€™s decision to finance amounts under these arrangements. As such, the outstanding payment obligations under the Companyâ€™s supply chain financing program are included within Accounts Payable in the Condensed Consolidated Balance Sheets and within operating activities in the Condensed Consolidated Statement of Cash Flows.The Companyâ€™s outstanding payment obligations under this program were $206.9Â million as of DecemberÂ 31, 2024 (MarchÂ 31, 2024: $159.4Â million).13Table of Contents NOTE 9.Â CREDIT FACILITY AND OTHER LONG-TERM DEBTThe Company's outstanding debt consisted of the following:As of December 31, 2024As of March 31, 20241.50% Convertible Senior Notes due 2024$â€”Â $80,919Â 3.25% Senior Notes due 2026600,000Â 600,000Â Total principal payments due600,000Â 680,919Â Unamortized debt discount on Senior Notes(370)(560)Unamortized debt issuance costs - Convertible Senior Notesâ€”Â (16)Unamortized debt issuance costs - Senior Notes(785)(1,189)Unamortized debt issuance costs - Credit facility(3,657)(3,362)Total amount outstanding595,188Â 675,792Â Less:Current portion of long-term debt:1.50% Convertible Senior Notes due 2024â€”Â 80,919Â Non-current portion of long-term debt$595,188Â $594,873Â Credit FacilityOn 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 July 2024, the Company entered into the fifth 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 $1.1Â billion of revolving credit commitments comprised of two tranches: (i) one tranche of $50Â million that has a term that ends on December 3, 2026, and (ii) a second tranche of $1.05Â billion that has a term that ends on December 3, 2027, in each case with permitted extensions under certain circumstances. As of DecemberÂ 31, 2024 and MarchÂ 31, 2024, 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 $300.0Â 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 DecemberÂ 31, 2024, $45.9 million of letters of credit were outstanding (MarchÂ 31, 2024: $4.2 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,Â among other things: incur additional secured and unsecured indebtedness; pledgeÂ theÂ 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. In July 2024, the Company entered into an amendment to the credit agreement to exclude from the definition of consolidated EBITDA certain charges related to the 14Table of Contents settlement of the Company's Class Action Securities litigation described in Note 10 of these Condensed Consolidated Financial Statements. The Company was in compliance with the applicable covenants for the quarter ended DecemberÂ 31, 2024. 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 DecemberÂ 31, 2024, the commitment fee was 17.5 basis points. 1.50% Convertible Senior NotesOn June 1, 2024, the Company's previously outstanding $80.9Â million aggregate principal amount of 1.50% convertible senior notes due 2024 (the "Convertible Senior Notes") matured. The Convertible Senior Notes bore 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. Upon maturity, the Company repaid the $80.9Â million aggregate principal amount of the Convertible Senior Notes outstanding, plus $0.6Â million of accrued interest, using cash on hand. No holders exercised their rights to convert prior to maturity.3.25% Senior NotesIn June 2016, the Company issuedÂ $600.0 millionÂ aggregate principal amount ofÂ 3.25%Â senior unsecured notes dueÂ JuneÂ 15, 2026 (the "Senior Notes"). The Senior Notes bear interest at the fixed rate of 3.25% 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 ExpenseInterest 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 $6.4Â million and $18.1Â million for the three and nine months ended DecemberÂ 31, 2024, respectively (three and nine months ended DecemberÂ 31, 2023: $5.7Â million and $17.0Â million, respectively).Maturity of Long-Term DebtThe following are the scheduled maturities of long-term debt as of DecemberÂ 31, 2024:Fiscal year ending March 31,2025 (three months ending)$â€”Â 2026â€”Â 2027600,000Â 2028 and thereafterâ€”Â Total scheduled maturities of long-term debt$600,000Â Current maturities of long-term debt$â€”Â 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. 15Table of Contents NOTE 10.Â COMMITMENTS AND CONTINGENCIESIn 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 Companyâ€™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 LitigationOn 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 class period identified in the TAC was September 16, 2015 through November 1, 2019.On June 20, 2024, the defendants reached an agreement with the plaintiffs to enter into a settlement resolving the Consolidated Securities Action (the â€œSecurities Action Settlementâ€). Under the terms of the Securities Action Settlement, the Company paid $434Â million to the members of the class, which was funded using balance sheet cash together with $63Â million of insurance proceeds. In addition, the Company agreed to two additional, non-monetary provisions, specifically to continue to separate the roles of Chair and Chief Executive Officer for a period of at least three years beginning on the date that the court order approving the Securities Action Settlement and dismissing the Consolidated Securities Action becomes final and non-appealable (the â€œThree-Year Periodâ€), and that all restricted stock or restricted stock units granted by the Company to its Chief Executive Officer, Chief Financial Officer and Chief Legal Officer during the Three-Year Period include a performance-based vesting condition to be set by the Human Capital and Compensation Committee of the Companyâ€™s Board of Directors. In exchange, the plaintiffs and the Class granted customary releases in favor of Defendants of all of their claims that were or could have been asserted in the Consolidated Securities Action.On November 7, 2024, the District Court granted the plaintiffsâ€™ motion for final approval of the Securities Action Settlement and dismissed the Consolidated Securities Action with prejudice. By entering into the Securities Action Settlement, the defendants in no way conceded or admitted liability for any of the claims that were or could have been asserted in the Consolidated Securities Action. The defendants expressly have denied and continue to deny each and all of the claims asserted in the Consolidated Securities Action, and entered into the Securities Action Settlement to eliminate the uncertainty, risk, costs, and burdens inherent in any litigation, including the Consolidated Securities Action.Consolidated Kenney Derivative LitigationIn June and July 2018, two purported stockholder derivative complaints were filed in Maryland state court (the "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 16Table of Contents 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 State Court 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 the 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 State 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 the State Court by four purported stockholders, in a case captioned Viskovich, et al. v. Plank, et al. (the â€œViskovich Actionâ€). 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 20, 2024, the State 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. As previously disclosed, the parties in the Consolidated Kenney Derivative Action and the Consolidated Paul Derivative Action described below (together, the â€œDerivative Actionsâ€) agreed to engage in private mediation in an effort to potentially resolve the claims in the Derivative Actions. On January 18, 2025, the Company and all of the defendants in the Derivative Actions entered into a binding term sheet (the â€œTerm Sheetâ€) with plaintiffs containing the material terms of a settlement resolving the Derivative Actions. The parties intend to prepare a formal stipulation of settlement describing the terms of the proposed settlement, which will be presented to the State Court for approval following a notice and review period for the Companyâ€™s stockholders. The Term Sheet provides that (a) the Company will implement various corporate governance measures for a period of three years from the time that the settlement becomes final and non-appealable; and (b) a payment of $8.9Â million, less any award of attorneysâ€™ fees and costs to counsel for the plaintiffs, will be made to the Company on behalf of the defendants and will be funded using insurance proceeds. In exchange, the plaintiffs, the Company, and Under Armour stockholders derivatively on behalf of the Company, will grant customary releases in favor of the defendants of all of claims that were or could have been asserted in the Derivative Actions.By agreeing to settle the Derivative Actions, the defendants in no way concede or admit liability for any of the claims that were or could have been asserted in the Derivative Actions. The defendants expressly have denied and continue to deny each and all of the claims asserted in the Derivative Actions, and agreed to settle the Derivative Actions to eliminate the uncertainty, risk, costs, and burdens inherent in any litigation, including the Derivative Actions.Consolidated Paul Derivative LitigationOn 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 (â€œDerivative Lead Plaintiffsâ€), appointing counsel for the Derivative Lead Plaintiffs as lead counsel, and recaptioning the consolidated case as 17Table of Contents Paul et al. v. Plank et al. (the â€œConsolidated Paul Derivative Actionâ€). 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 Consolidated 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 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 U.S. Securities and Exchange Commission and the U.S. Department of Justice. 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 Consolidated 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 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 Consolidated Paul Derivative Action remained dismissed without prejudice.In February 2024, Paul filed a notice of appeal to the U.S. Court of Appeals for the Fourth Circuit (the "Fourth Circuit") 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 was completed as of July 22, 2024. No decision has been issued in the appeal, which remains pending before the Fourth Circuit. As described above, on January 18, 2025, the parties in the Derivative Actions entered into the binding Term Sheet, which contains the material terms of a settlement resolving those cases. A summary of the Term Sheet and the next steps with respect to the proposed settlement is set forth above.As noted above, by agreeing to settle the Derivative Actions, the defendants in no way concede or admit liability for any of the claims that were or could have been asserted in the Derivative Actions. The defendants expressly have denied and continue to deny each and all of the claims asserted in the Derivative Actions, and agreed to settle the Derivative Actions to eliminate the uncertainty, risk, costs, and burdens inherent in any litigation, including the Derivative Actions.ContingenciesIn accordance with ASC Topic 450 â€œContingenciesâ€ (â€œTopic 450â€), 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. 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. While the Companyâ€™s director and officer insurance carriers from each policy period have funded a portion of the payment in connection with the Securities Action Settlement, as previously disclosed, the Company remains in litigation with certain of its insurance carriers regarding coverage with respect to one of these policy periods. On March 26, 2024, the District Court issued a decision and order that obligated these insurance carriers to provide coverage. On April 25, 2024, the insurance carriers filed a motion for entry of judgment or leave to appeal the March 26, 2024 decision. 18Table of Contents The Company opposed the insurance carriersâ€™ motion, and briefing on the motion was completed on May 23, 2024. On December 19, 2024, the District Court granted the insurance carriersâ€™ motion for entry of final judgment with respect to the District Courtâ€™s March 26, 2024 decision and stayed further proceedings in the District Court pending the Fourth Circuitâ€™s resolution of the insurance carriersâ€™ appeal with respect to the District Courtâ€™s March 26, 2024 decision. On January 16, 2025, the insurance carriers filed a notice of appeal. If the Fourth Circuit reverses the District Courtâ€™s decision, the Company may be required to repay the settlement amount funded by the insurance carriers, as well as any defense costs from the Consolidated Securities Action paid by these insurance carriers. $90Â million of the insurance proceeds recognized as of December 31, 2024 remains subject to appeal by the insurance carriers. From time to time, the Companyâ€™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.NOTE 11.Â STOCKHOLDERS' EQUITYThe Company's ClassÂ A Common Stock and Class B Convertible Common Stock have an authorized number of 400.0Â million shares and 34.45Â million shares, respectively, and each have a par value of $0.0003 1/3Â per share as of DecemberÂ 31, 2024. Holders of ClassÂ A Common Stock and Class B Convertible Common Stock have identical rights, including liquidation preferences, except that the holders of ClassÂ 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.Â Plank, as defined in the Company's charter. As a result, Mr.Â 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.Â Plank or a related party of Mr.Â Plank, the shares automatically convert into shares of ClassÂ 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 ClassÂ A Common Stock on a one-for-one basis upon the death or disability of Mr.Â Plank or on the record date for any stockholders' meeting upon which the shares of ClassÂ A Common Stock and Class B Convertible Common Stock beneficially owned by Mr.Â Plank is less than 15% of the total shares of ClassÂ 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 400.0Â million shares and has a par value of $0.0003 1/3 per share as of DecemberÂ 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 ProgramOn May 15, 2024, the Company's Board of Directors authorized the Company to repurchase up to $500Â million (exclusive of fees and commissions) of outstanding shares 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.During the three months ended December 31, 2024, the Company entered into a supplemental confirmation (the "December 2024 ASR Agreement") of an accelerated share repurchase transaction with Truist Bank ("Truist") to repurchase $25.0Â million of the Company's Class C Common Stock, and received a total of 2.8 million shares of Class C Common Stock from Truist, which were immediately retired. As a result, $24.4Â million was recorded to 19Table of Contents retained earnings to reflect the difference between the market price of the Class C Common Stock repurchased and its par value.During the nine months ended December 31, 2024, pursuant to the December 2024 ASR Agreement and the previously disclosed accelerated share repurchase transaction that the Company entered into in May 2024, the Company repurchased 8.7Â million shares of Class C Common Stock, which were immediately retired. As a result, $65.3Â 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.As of the date of this Quarterly Report on Form 10-Q, the Company has repurchased a total of $65Â million or 8.7Â million outstanding shares of its Class C Common Stock, leaving approximately $435Â million remaining under its current share repurchase program. During the three and nine months ended DecemberÂ 31, 2023, the Company repurchased and immediately retired 3.1Â million and 10.7Â million Class C Common Stock, respectively, under the Company's previously approved $500Â million share repurchase program which was completed in December 2023.NOTE 12. REVENUESThe following tables summarize the Company's net revenues by product category and distribution channels:Â Three Months Ended December 31,Nine Months Ended December 31,2024202320242023Apparel$966,068Â $1,016,655Â $2,671,048Â $2,911,669Â Footwear301,208Â 331,000Â 924,357Â 1,045,872Â Accessories110,432Â 104,510Â 319,358Â 316,305Â Net Sales1,377,708Â 1,452,165Â 3,914,763Â 4,273,846Â License revenues23,904Â 29,069Â 70,371Â 82,787Â Corporate Other(573)4,809Â (1,407)13,049Â Â Â Â Â Total net revenues$1,401,039Â $1,486,043Â $3,983,727Â $4,369,682Â Wholesale$704,760Â $711,699Â $2,211,266Â $2,393,382Â Direct-to-consumer672,948Â 740,466Â 1,703,497Â 1,880,464Â Net Sales1,377,708Â 1,452,165Â 3,914,763Â 4,273,846Â License revenues23,904Â 29,069Â 70,371Â 82,787Â Corporate Other(573)4,809Â (1,407)13,049Â Â Â Â Â Total net revenues$1,401,039Â $1,486,043Â $3,983,727Â $4,369,682Â 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 Condensed 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 December 31, 2024As of March 31, 2024Customer refund liability$170,344Â $139,283Â Inventory associated with reserves for sales returns$39,796Â $29,514Â Contract LiabilitiesContract 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 (i) gift cards, which are included in accrued expenses on the Company's Condensed Consolidated Balance Sheets, and (ii) points associated with the loyalty programs and payments 20Table of Contents received in advance of revenue recognition for royalty arrangements, which are included in other current liabilities on the Company's Condensed Consolidated Balance Sheets. The following table summarizes the change in the contract liabilities balance during the nine months ended December 31, 2024, which primarily results from the timing differences between the Company's satisfaction of performance obligations and the customer's payment.Total Contract LiabilitiesBalance as of March 31, 2024$26,322Â Revenues deferred53,460Â Revenues recognized (1)(41,072)Foreign exchange and other(729)Balance as of December 31, 2024$37,981Â (1) Includes approximately $7.1Â million of revenue from gift cards and subscriptions that was previously included in contract liabilities as of March 31, 2024. Loyalty points are not separately identifiable and therefore revenues recognized from the redemption of loyalty points consists of both points that were included in the liability balance at the beginning of the period and those that were issued during the period.NOTE 13. RESTRUCTURING AND RELATED CHARGESOn May 15, 2024, the Company's Board of Directors approved a restructuring plan (the "2025 restructuring plan") designed to strengthen and support the Company's financial and operational efficiencies. On September 5, 2024, the Companyâ€™s Board of Directors approved a $70Â million increase to the 2025 restructuring plan, resulting in an updated restructuring plan of approximately $140Â million to $160Â million of pre-tax restructuring and related charges to be incurred during Fiscal 2025 and the fiscal year ending March 31, 2026 ("Fiscal 2026"), including:â€¢Up to $75Â million in cash-related charges, consisting of approximately $30Â million in employee severance and benefits costs and $45Â million related to various transformational initiatives; andâ€¢Up to $85Â million in non-cash charges, including approximately $7Â million in employee severance and benefits costs and $78Â million in facility, software, and other asset-related charges and impairments. Restructuring and related charges are included in the Company's Corporate Other segment. The costs recorded during the three and nine months ended DecemberÂ 31, 2024 were primarily North America related. The summary of these costs, as well as the Company's current estimates of the remaining amount expected to be incurred in connection with the 2025 restructuring plan is as follows:Estimated Restructuring and Related Charges (1)Three Months EndedDecember 31, 2024Nine Months EndedDecember 31, 2024Remaining to be incurredTotal to be incurred under planCosts recorded in restructuring charges: Employee-related costs $1,584Â $13,322Â Facility-related costs5,706Â 18,201Â Other restructuring costs6,655Â 10,720Â Total costs recorded in restructuring charges$13,945Â $42,243Â $67,757Â $110,000Â Costs recorded in selling, general and administrative expenses:Employee related costsâ€”Â 9,460Â Other transformation initiatives3,819Â 5,740Â Total costs recorded in selling, general and administrative expenses$3,819Â $15,200Â $34,800Â $50,000Â Total restructuring and related charges$17,764Â $57,443Â $102,557Â $160,000Â (1) Estimated restructuring and related charges reflect the high-end of the range of the total estimated charges expected to be incurred by the Company in connection with the 2025 restructuring plan.21Table of Contents Restructuring and related charges and recoveries require the Company to make certain judgments and estimates regarding the amount and timing as to when these charges or recoveries occur. The estimated liability could change subsequent to its recognition, requiring adjustments to the expense and the liability recorded. The restructuring reserve is recorded within current and long-term liabilities on the Condensed Consolidated Balance Sheets. On a quarterly basis, the Company conducts an evaluation of the related liabilities and expenses and revises its assumptions and estimates as appropriate, as new or updated information becomes available.A summary of the activity in the restructuring reserve related to the Company's 2025 restructuring plan for the nine months ended December 31, 2024 is as follows:Employee Related CostsFacility Related CostsOther Restructuring Related CostsBalance as of March 31, 2024$â€”Â $â€”Â $â€”Â Net additions (recoveries) charged to expense (1)13,311Â 5,800Â 12,908Â Cash payments (10,827)(5,800)(7,725)Foreign exchange and other45Â â€”Â â€”Â Balance as of December 31, 2024$2,529Â $â€”Â $5,183Â (1) Amount excludes approximately $15.5Â million of non-cash facility-related and other charges and a $5.3Â million non-cash gain from the sale of the MapMyFitness platform.NOTE 14.Â OTHER EMPLOYEE BENEFITSThe 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 the three and nine months ended DecemberÂ 31, 2024 of $2.2 million and $8.2 million, respectively (three and nine months ended DecemberÂ 31, 2023: $2.2 million and $8.9 million, respectively).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 DecemberÂ 31, 2024, the Deferred Compensation Plan obligations, which are included in other long-term liabilities on the Condensed Consolidated Balance Sheets, were $18.0 million (MarchÂ 31, 2024: $16.2 million).The Company established a Rabbi Trust to fund obligations to participants in the Deferred Compensation Plan. As of DecemberÂ 31, 2024, the assets held in the Rabbi Trust were trust owned life insurance ("TOLI") policies with cash-surrender values of $9.0 million (MarchÂ 31, 2024: $9.1 million). These assets are consolidated and are included in other long-term assets on the Condensed Consolidated Balance Sheets. Refer to Note 16 of these Condensed 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 15. STOCK BASED COMPENSATIONThe 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 DecemberÂ 31, 2024, 8.3 million Class A shares and 28.3 million Class C shares are available for future grants of awards under the 2005 Plan. Awards Granted to Employees and Non-Employee DirectorsTotal stock-based compensation expense associated with awards granted to employees and non-employee directors for the three and nine months ended DecemberÂ 31, 2024 was $10.7 million and $36.2 million, respectively (three and nine months ended DecemberÂ 31, 2023: $8.3 million and $28.6 million, respectively). As of DecemberÂ 31, 2024, the Company had $62.4 millionÂ of unrecognized compensation expense related to these awards expected to be recognized over a weighted average period of 2.09 years. The unrecognized expense does 22Table of Contents not include any expense related to performance-based restricted stock unit awards for which the performance targets have been deemed improbable as of DecemberÂ 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 PlanStock 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 PlanThe 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 Companyâ€™s obligation to issue one share of the Company's ClassÂ A or Class C Common Stock with the shares delivered six months following the termination of the director's service. The Company had 1.0Â million deferred stock units outstanding as of DecemberÂ 31, 2024.Employee Stock Purchase PlanThe Company's Employee Stock Purchase Plans (the "ESPPs") allow for the purchase of ClassÂ 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 DecemberÂ 31, 2024, 2.7 million Class A shares and 2.3 million Class C shares are available for future purchases under the ESPPs. During the three and nine months ended DecemberÂ 31, 2024, 0.1 million and 0.3 million Class C shares, respectively, were purchased under the ESPPs (three and nine months ended DecemberÂ 31, 2023: 0.1 million and 0.4 million, respectively).Awards granted to Certain Marketing and Other PartnersIn 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 the three and nine months ended DecemberÂ 31, 2024 was $1.9 million and $5.6 million, respectively (three and nine months ended DecemberÂ 31, 2023: $2.2 million and $7.0 million, respectively). As of DecemberÂ 31, 2024, the Company had $65.8Â millionÂ of unrecognized compensation expense associated with these awards expected to be recognized over a weighted average period of 9.63 years.23Table of Contents Summary by Award Classification:Stock Options A summary of the Company's stock options activity for the nine months ended December 31, 2024 is presented below:Numberof StockOptionsWeightedAverageExercisePriceWeightedAverageRemainingContractualLife (Years)TotalIntrinsicValueOutstanding at MarchÂ 31, 20241,578Â $19.44Â 3.82$â€”Â Granted, at fair market valueâ€”Â â€”Â â€”Â â€”Â Exercisedâ€”Â â€”Â â€”Â â€”Â Forfeitedâ€”Â â€”Â â€”Â â€”Â Outstanding at DecemberÂ 31, 20241,578Â $19.44Â 3.07$â€”Â Exercisable at DecemberÂ 31, 20241,578Â $19.44Â 3.07$â€”Â Restricted Stock and Restricted Stock Unit AwardsA summary of the Company's restricted stock and restricted stock unit awards activity for the nine months ended December 31, 2024 is presented below:Â Number of Restricted SharesWeighted AverageGrant Date Fair ValueOutstanding at MarchÂ 31, 202420,776Â $8.58Â Granted9,185Â 6.33Â Forfeited(3,186)7.54Â Vested(3,805)9.32Â Outstanding at DecemberÂ 31, 202422,970Â $7.72Â The awards outstanding at DecemberÂ 31, 2024 in the table above includes 2.3Â million of performance-based restricted stock units with financial performance conditions that were awarded to certain executives and key employees under the 2005 Plan. The performance-based restricted stock units with financial performance conditions awarded during Fiscal 2025, Fiscal 2024 and Fiscal 2023 have a weighted average fair value of $6.85, $6.93 and $9.13, respectively, and have vesting that is tied to the achievement of certain annual revenue and operating income targets. As of December 31, 2024, the Company deemed the achievement of the targets for the performance-based restricted stock units granted during Fiscal 2024 and Fiscal 2023 to be improbable and as such no stock-based compensation expense was recorded during the three and nine months ended DecemberÂ 31, 2024. As of December 31, 2024, the Company deemed the achievement of the targets for the performance-based restricted stock units awarded during the Fiscal 2025 to be probable and recorded stock-based compensation expense of $1.0Â million and $2.3Â million, for the three and nine months ended DecemberÂ 31, 2024, respectively.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.The awards outstanding at DecemberÂ 31, 2024 in the table above also include 2.0Â million of performance-based restricted stock unit awards with market performance conditions that were awarded to the Company's President and CEO under the 2005 plan during Fiscal 2025. The performance-based restricted stock units with market conditions have a weighted average fair value of $4.13 and have vesting that is tied to the achievement of certain stock price targets for the Company's Class C Common Stock. The fair value of these awards was determined on the grant date using a Monte Carlo simulation model. The Company recorded $0.5 million and $1.2Â million of compensation expense related to these awards during the three and nine months ended DecemberÂ 31, 2024, respectively.24Table of Contents NOTE 16. FAIR VALUE MEASUREMENTSFair value is defined as the price that would be received to sell an asset or the exit price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value accounting guidance outlines a valuation framework, creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures, and prioritizes the inputs used in measuring fair value as follows:LevelÂ 1:Observable inputs such as quoted prices in active markets;LevelÂ 2:Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; andLevelÂ 3:Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.Financial assets and liabilities measured at fair value on a recurring basisThe Company's financial assets (liabilities) measured at fair value on a recurring basis consisted of the following types of instruments as of the following periods:December 31, 2024March 31, 2024LevelÂ 1LevelÂ 2LevelÂ 3LevelÂ 1LevelÂ 2LevelÂ 3Derivative foreign currency contracts (see Note 17)$â€”Â $34,582Â $â€”Â $â€”Â $(4,643)$â€”Â TOLI policies held by the Rabbi Trust (see Note 14)$â€”Â $8,983Â $â€”Â $â€”Â $9,105Â $â€”Â Deferred Compensation Plan obligations (see Note 14)$â€”Â $(17,986)$â€”Â $â€”Â $(16,151)$â€”Â 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 DebtThe 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 DecemberÂ 31, 2024, the fair value of the Senior Notes was $579.7Â million (MarchÂ 31, 2024: $569.1 million).Assets and liabilities measured at fair value on a non-recurring basisCertain 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 17. RISK MANAGEMENT AND DERIVATIVESThe 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 25Table of Contents 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 DecemberÂ 31, 2024, the Company has hedge instruments primarily for:â€¢British Pound/U.S. Dollar; â€¢Euro/U.S. Dollar; â€¢U.S. Dollar/Chinese Renminbi;â€¢U.S. Dollar/Canadian Dollar; â€¢U.S. Dollar/Mexican Peso; andâ€¢U.S. Dollar/Korean Won.All derivatives are recognized on the Condensed 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 Condensed Consolidated Balance Sheets. Refer to Note 16 of these Condensed Consolidated Financial Statements for a discussion of the fair value measurements.Balance Sheet ClassificationDecember 31, 2024March 31, 2024Derivatives designated as hedging instruments under ASC 815Foreign currency contractsOther current assets$33,679Â $10,477Â Foreign currency contractsOther long-term assets1,985Â 2,760Â Total derivative assets designated as hedging instruments$35,664Â $13,237Â Foreign currency contractsOther current liabilities$729Â $17,761Â Foreign currency contractsOther long-term liabilitiesâ€”Â 1,171Â Total derivative liabilities designated as hedging instruments$729Â $18,932Â Derivatives not designated as hedging instruments under ASC 815Foreign currency contractsOther current assets$203Â $559Â Total derivative assets not designated as hedging instruments$203Â $559Â Foreign currency contractsOther current liabilities$556Â $600Â Total derivative liabilities not designated as hedging instruments$556Â $600Â The following table presents the amounts in the Condensed Consolidated Statements of Operations in which the effects of cash flow hedges are recorded and the effects of cash flow hedge activity on these line items:Three Months Ended December 31,Nine Months Ended December 31,2024202320242023TotalAmount of Gain (Loss) on Cash Flow Hedge ActivityTotalAmount of Gain (Loss) on Cash Flow Hedge ActivityTotalAmount of Gain (Loss) on Cash Flow Hedge ActivityTotalAmount of Gain (Loss) on Cash Flow Hedge ActivityNet revenues$1,401,039Â (737)1,486,043Â $3,415Â $3,983,727Â $(3,891)$4,369,682Â $8,961Â Cost of goods sold$735,884Â $329Â $815,404Â $(1,550)$2,059,765Â $(3,242)$2,339,025Â $(1,779)Interest income (expense), net$(3,391)$(9)(211)(9)$(2,794)$(27)$(2,210)$(27)Other income (expense), net$(2,563)$â€”Â $47,927Â $â€”Â $(8,713)$â€”Â $35,763Â $â€”Â 26Table of Contents The following tables present the amounts affecting the Condensed Consolidated Statements of Comprehensive Income (Loss) from derivatives designated as cash flow hedges: Balance as of September 30, 2024Amount of gain (loss) recognized in other comprehensive income (loss) on derivativesAmount of gain (loss) reclassified from other comprehensive income (loss) into incomeBalance as of December 31, 2024Foreign currency contracts$(22,304)$60,322Â (408)38,426Â Interest rate swaps(404)â€”Â (9)(395)Total designated as cash flow hedges$(22,708)$60,322Â (417)38,031Â Balance as of March 31, 2024Amount of gain (loss) recognized in other comprehensive income (loss) on derivativesAmount of gain (loss) reclassified from other comprehensive income (loss) into incomeBalance as of December 31, 2024Foreign currency contracts$(10,645)$41,938Â $(7,133)$38,426Â Interest rate swaps(422)â€”Â (27)(395)Total designated as cash flow hedges$(11,067)$41,938Â $(7,160)$38,031Â Balance as of September 30, 2023Amount of gain (loss) recognized in other comprehensive income (loss) on derivativesAmount of gain (loss) reclassified from other comprehensive income (loss) into incomeBalance as of December 31, 2023Foreign currency contracts$15,656Â $(43,051)$1,865Â $(29,260)Interest rate swaps(440)â€”Â (9)(431)Total designated as cash flow hedges$15,216Â $(43,051)$1,856Â $(29,691)Balance as of March 31, 2023Amount of gain (loss) recognized in other comprehensive income (loss) on derivativesAmount of gain (loss) reclassified from other comprehensive income (loss) into incomeBalance as of December 31, 2023Foreign currency contracts$(4,764)$(17,314)$7,182Â $(29,260)Interest rate swaps(458)â€”Â (27)(431)Total designated as cash flow hedges$(5,222)$(17,314)$7,155Â $(29,691)The following table presents the amounts in the Condensed Consolidated Statements of Operations in which the effects of undesignated derivative instruments are recorded and the effects of fair value hedge activity on these line items:Three Months Ended December 31,Nine Months Ended December 31,2024202320242023TotalAmount of Gain (Loss) on Fair Value Hedge ActivityTotalAmount of Gain (Loss) on Fair Value Hedge ActivityTotalAmount of Gain (Loss) on Fair Value Hedge ActivityTotalAmount of Gain (Loss) on Fair Value Hedge ActivityOther income (expense), net$(2,563)$(1,123)$47,927Â $4,610Â $(8,713)$3,469Â $35,763Â $39Â Cash Flow HedgesThe 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 DecemberÂ 31, 2024, the aggregate notional value of the 27Table of Contents Company's outstanding cash flow hedges was $850.5Â million (MarchÂ 31, 2024: $1,199.1Â 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 Condensed 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 Condensed Consolidated Statements 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 Condensed Consolidated Balance Sheets. Undesignated instruments are recorded at fair value as a derivative asset or liability on the Condensed 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 DecemberÂ 31, 2024, the total notional value of the Company's outstanding undesignated derivative instruments was $483.0Â million (MarchÂ 31, 2024: $449.0Â million).Credit RiskThe 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 18. PROVISION FOR INCOME TAXESThe Company computes its quarterly income tax provision under the effective tax rate method by applying an estimated anticipated annual effective rate to the Company's year-to-date earnings, except for significant and unusual or extraordinary transactions. Losses from jurisdictions for which no benefit can be recognized are excluded from the overall computations of the estimated annual effective tax rate and a separate estimated annual effective tax rate is computed and applied to earnings in the loss jurisdiction. Income tax provision for any significant and unusual or extraordinary transactions are computed and recorded in the period in which the specific transaction occurs.The effective rates for income taxes were 83.3% and 7.2% for the three months ended December 31, 2024 and 2023, respectively. The increase in the Company's effective tax rate was primarily driven by the proportion of earnings subject to tax in the U.S. as compared to foreign jurisdictions in each period and the Fiscal 2025 impact of U.S. losses on foreign earnings subject to tax in the United States.The effective rates for income taxes were (7.5)% and 15.5% for the nine months ended December 31, 2024 and 2023, respectively. The decrease in the Company's effective tax rate was primarily driven by the proportion of earnings subject to tax in the U.S. as compared to foreign jurisdictions in each period and the Fiscal 2025 impact of U.S. losses on foreign earnings subject to tax in the United States.Valuation AllowanceThe Company evaluates on a quarterly basis whether the deferred tax assets are realizable which requires significant judgment. The Company considers all available positive and negative evidence, including historical operating performance and expectations of future operating performance. 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.As of 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 DecemberÂ 31, 2024, for U.S. states and certain foreign taxing jurisdictions, the Company 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 28Table of Contents against these assets. The Company will continue to evaluate its ability to realize its net deferred tax assets on a quarterly basis.NOTE 19. EARNINGS PER SHAREThe following represents a reconciliation from basic net income (loss) per share to diluted net income (loss) per share:Three Months Ended December 31,Nine Months Ended December 31,2024202320242023NumeratorNet income (loss) - Basic$1,234Â $110,753Â $(133,810)$225,474Â Interest on Convertible Senior Notes due 2024, net of tax (1)(2)â€”Â 225Â â€”Â 675Â Net income (loss) - Diluted$1,234Â $110,978Â $(133,810)$226,149Â DenominatorWeighted average common shares outstanding Class A, B and C - Basic431,744Â 437,314Â 433,212Â 441,893Â Dilutive effect of Class A, B, and C securities (1)5,553Â 2,879Â â€”Â 2,073Â Dilutive effect of Convertible Senior Notes due 2024 (1)(2)â€”Â 8,242Â â€”Â 8,242Â Weighted average common shares and dilutive securities outstanding Class A, B, and C437,297Â 448,435Â 433,212Â 452,208Â Class A and Class C securities excluded as anti-dilutive (3)1,721Â 12,953Â 10,588Â 16,446Â Basic net income (loss) per share of Class A, B and C common stock$0.00Â $0.25Â (0.31)0.51Â Diluted net income (loss) per share of Class A, B and C common stock$0.00Â $0.25Â (0.31)0.50Â (1) 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.(2) The Company's Convertible Senior Notes matured on June 1, 2024. Upon maturity, the Company repaid the approximately $80.9Â million aggregate principal amount of the Convertible Senior Notes outstanding using cash on hand. Refer to Note 9 of these Condensed Consolidated Financial Statements for additional details.(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 20.Â SEGMENT DATAThe 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) 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; (ii) restructuring and restructuring related charges, if any; (iii) certain foreign currency hedge 29Table of Contents gains and losses; and (iv) operating results from the MapMyFitness digital platform, which was sold during the second quarter of Fiscal 2025.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. Three Months Ended December 31,Nine Months Ended December 31,2024202320242023Net revenuesNorth America$843,620Â $915,335Â $2,416,225Â $2,733,297Â EMEA297,890Â 284,049Â 807,960Â 797,781Â Asia-Pacific201,112Â 212,018Â 590,609Â 646,315Â Latin America58,990Â 69,832Â 170,340Â 179,240Â Corporate Other(573)4,809Â (1,407)13,049Â Total net revenues$1,401,039Â $1,486,043Â $3,983,727Â $4,369,682Â Three Months Ended December 31,Nine Months Ended December 31,2024202320242023Operating income (loss)North America$164,068Â $166,256Â $529,216Â $538,041Â EMEA42,110Â 49,133Â 114,161Â 117,738Â Asia-Pacific14,009Â 16,014Â 58,158Â 86,020Â Latin America14,186Â 13,367Â 41,528Â 32,759Â Corporate Other (1)(220,864)(173,361)(856,202)(541,253)Â Â Â Â Total operating income (loss)13,509Â 71,409Â (113,139)233,305Â Interest income (expense), net(3,391)(211)(2,794)(2,210)Other income (expense), net(2,563)47,927Â (8,713)35,763Â Â Â Â Â Income (loss) before income taxes$7,555Â $119,125Â $(124,646)$266,858Â (1) Results for the nine months ended December 31, 2024, include $261Â million of litigation expense, net of insurance proceeds, related to the settlement of the Class Action Securities litigation. Refer to Note 10 of these Condensed Consolidated Financial Statements for additional details.ITEMÂ 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONSThe 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 Condensed Consolidated Financial Statements and the accompanying Notes to our Condensed Consolidated Financial Statements under Part I, Item 1 of this Quarterly Report on Form 10-Q, which include the revisions for the previously disclosed accounting corrections, and in our Annual Report on Form 10-K for Fiscal 2024, filed with the Securities Exchange Commission ("SEC") on May 29, 2024, under the captions "Business" and "Risk Factors". This Quarterly Report on Form 10-Q, 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 the three and nine months ended DecemberÂ 31, 2024 with the three and nine months ended DecemberÂ 31, 2023, unless otherwise noted.30Table of Contents FORWARD-LOOKING STATEMENTSSome of the statements contained in this Quarterly Report on Form 10-Q, including this MD&A, 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, future financial condition or results of operations, growth prospects and strategies, potential restructuring efforts (including the scope, anticipated charges and costs, the timing of these measures and the anticipated benefits of our restructuring initiatives), expectations related to promotional activities, freight, product cost pressures, foreign currency effects, the impact of global economic conditions and inflation on our results of operations, liquidity and use of capital resources, the development and introduction of new products, the execution of marketing strategies, benefits from significant investments, and impacts from 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 Quarterly Report on Form 10-Q 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 MD&A herein and in our Annual Report on Form 10-K for Fiscal 2024. These factors include without limitation:â€¢changes in general economic or market conditions (such as rising inflation) that could influence overall consumer spending or our industry;â€¢our ability to comply with existing trade and other regulations, and the potential impact of new trade, tariff and tax regulations on our profitability;â€¢increased competition that may cause us to lose market share, lower product prices or significantly increase marketing efforts; â€¢fluctuations in the costs of raw materials and commodities we use in products and our supply chain (including labor); â€¢our ability to successfully execute our long-term strategies;â€¢our ability to effectively drive operational efficiency in our business;â€¢changes to the financial health of our customers;â€¢our ability to successfully develop and launch new, innovative and updated products;â€¢our ability to accurately forecast consumer preferences and demand for our products and to effectively manage our inventory; â€¢our ability to successfully execute potential restructuring plans and achieve expected benefits;â€¢loss of key customers, suppliers or manufacturers;â€¢our ability to further expand our business globally and to drive brand awareness and consumer acceptance of our products in other countries; â€¢our ability to manage the increasingly complex operations of our global business; â€¢the impact of global events beyond our control, including military conflicts;â€¢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;â€¢our ability to successfully manage or achieve expected outcomes from significant transactions and investments;â€¢our ability to effectively market and maintain a positive brand image;â€¢our ability to attract key talent and retain the services of our senior management and other key employees;31Table of Contents â€¢our ability to effectively meet regulatory requirements and stakeholder expectations with sustainability and social matters;â€¢the availability, integration and effective operation of information systems and other technology, as well as any potential interruption of such systems or technology; â€¢any disruptions, delays or deficiencies in the design, implementation or application of our global operating and financial reporting information technology system;â€¢our ability to access capital and financing required to manage our business on terms acceptable to us;â€¢our ability to accurately anticipate and respond to seasonal or quarterly fluctuations in our operating results;â€¢risks related to foreign currency exchange rate fluctuations;â€¢risks related to data security or privacy breaches;â€¢our ability to remediate the material weaknesses discussed elsewhere in this Quarterly Report on Form 10-Q; andâ€¢our potential exposure to and the financial impact of litigation and other proceedings, including those legal proceedings discussed elsewhere in this Quarterly Report on Form 10-Q.The forward-looking statements contained in this Quarterly Report on Form 10-Q reflect our views and assumptions only as of the date of this Quarterly Report on Form 10-Q. 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.OVERVIEWWe 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, womenâ€™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.Quarterly ResultsDuring the three months ended December 31, 2024, we continued to face a challenging environment, particularly in North America, that included lower demand in our wholesale channel, in addition to the impacts of proactive strategies to reduce discounting and promotional activity in our direct-to-consumer channel, particularly in e-commerce. We also faced a challenging environment in Asia-Pacific region.Financial highlights for the three months ended December 31, 2024 as compared to the three months ended December 31, 2023 include:â€¢Total net revenues decreased 5.7%. â€¢Within our channels, wholesale revenue decreased 1.0% and direct-to-consumer revenue decreased 9.1%. â€¢Within our product categories, apparel revenue decreased 5.0%, footwear revenue decreased 9.0%, and accessories revenue increased 5.7%.â€¢Net revenue decreased 7.8% in North America, increased 4.9% in EMEA, decreased 5.1% in Asia-Pacific and decreased 15.5% in Latin America.â€¢Gross margin increased 240 basis points to 47.5%. â€¢Selling, general and administrative expenses increased 6.4%. 32Table of Contents 2025 Restructuring PlanOn May 15, 2024, our Board of Directors approved a restructuring plan (the "2025 restructuring plan") designed to strengthen and support our financial and operational efficiencies. On September 5, 2024, our Board of Directors approved a $70 million increase to the 2025 restructuring plan, resulting in an updated restructuring plan of approximately $140 million to $160 million of pre-tax restructuring and related charges to be incurred during Fiscal 2025 and the fiscal year ending March 31, 2026 ("Fiscal 2026"), including:â€¢Up to $75 million in cash-related charges, consisting of approximately $30 million in employee severance and benefits costs and $45 million related to various transformational initiatives; andâ€¢Up to $85 million in non-cash charges, including approximately $7 million in employee severance and benefits costs and $78 million in facility, software, and other asset-related charges and impairments. Restructuring and related charges are included in our Corporate Other segment. The costs recorded during the three and nine months ended DecemberÂ 31, 2024 were primarily North America related. The summary of these costs, as well as our current estimate of the remaining amounts expected to be incurred in connection with the 2025 restructuring plan is as follows:Estimated Restructuring and Related Charges (1)Three Months EndedDecember 31, 2024Nine Months EndedDecember 31, 2024Remaining to be incurredTotal to be incurred under planCosts recorded in restructuring charges: Employee-related costs $1,584Â $13,322Â Facility-related costs5,706Â 18,201Â Other restructuring costs6,655Â 10,720Â Total costs recorded in restructuring charges$13,945Â $42,243Â $67,757Â $110,000Â Costs recorded in selling, general and administrative expenses:Employee related costsâ€”Â 9,460Â Other transformation initiatives3,819Â 5,740Â Total costs recorded in selling, general and administrative expenses$3,819Â $15,200Â $34,800Â $50,000Â Total restructuring and related charges$17,764Â $57,443Â $102,557Â $160,000Â (1) Estimated restructuring and related charges reflect the high-end of the range of the total estimated charges expected to be incurred in connection with the 2025 restructuring plan.Restructuring charges and recoveries require us to make certain judgments and estimates regarding the amount and timing as to when these charges or recoveries occur. The estimated liability could change subsequent to its recognition, requiring adjustments to the expense and the liability recorded. On a quarterly basis, we conduct an evaluation of the related liabilities and expenses and revise our assumptions and estimates as appropriate, as new or updated information becomes available.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 their effect on inflationary pressures and the price of oil globally. In addition, we are actively monitoring potential tariffs proposed or signaled by the U.S. government, as well as potential related impacts, including countermeasures thereto and indirect effects on capital markets or consumer discretionary spending. The tariff program, as currently proposed, is not expected to have a material impact on our business. However, any changes to the proposed program, including the potential expansion to other countries, could have a material impact on our financial results.See "Risk Factorsâ€"Economic and Industry Risksâ€"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"; "â€"Fluctuations in the 33Table of Contents cost of raw materials and commodities we use in our products and costs related to our supply chain could negatively affect our operating results"; "â€"Our financial results and ability to grow our business may be negatively impacted by global events beyond our control"; and "â€"Financial Risksâ€"Our financial results could be adversely impacted by currency exchange rate fluctuations" included in Item 1A of our Annual Report on Form 10-K for Fiscal 2024.RESULTS OF OPERATIONSDuring 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 three and nine months ended DecemberÂ 31, 2023 have been revised to reflect these corrections. See Note 1 of these Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.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:(In thousands)Three Months Ended December 31,Nine Months Ended December 31,2024202320242023Net revenues$1,401,039Â $1,486,043Â $3,983,727Â $4,369,682Â Cost of goods sold735,884Â 815,404Â 2,059,765Â 2,339,025Â Gross profit665,155Â 670,639Â 1,923,962Â 2,030,657Â Selling, general and administrative expenses637,701Â 599,230Â 1,994,858Â 1,797,352Â Restructuring charges13,945Â â€"Â 42,243Â â€"Â Income (loss) from operations13,509Â 71,409Â (113,139)233,305Â Interest income (expense), net(3,391)(211)(2,794)(2,210)Other income (expense), net(2,563)47,927Â (8,713)35,763Â Income (loss) before income taxes7,555Â 119,125Â (124,646)266,858Â Income tax expense (benefit)6,295Â 8,569Â 9,308Â 41,333Â Income (loss) from equity method investments(26)197Â 144Â (51)Net income (loss)$1,234Â $110,753Â $(133,810)$225,474Â Three Months Ended December 31,Nine Months Ended December 31,(As a percentage of net revenues)2024202320242023Net revenues100.0Â %100.0Â %100.0Â %100.0Â %Cost of goods sold52.5Â %54.9Â %51.7Â %53.5Â %Gross profit47.5Â %45.1Â %48.3Â %46.5Â %Selling, general and administrative expenses45.5Â %40.3Â %50.1Â %41.1Â %Restructuring charges1.0Â %â€"Â %1.1Â %â€"Â %Income (loss) from operations1.0Â %4.8Â %(2.8)%5.3Â %Interest income (expense), net(0.2)%â€"Â %(0.1)%(0.1)%Other income (expense), net(0.2)%3.2Â %(0.2)%0.8Â %Income (loss) before income taxes0.5Â %8.0Â %(3.1)%6.1Â %Income tax expense (benefit)0.4Â %0.6Â %0.2Â %0.9Â %Income (loss) from equity method investmentsâ€"Â %â€"Â %â€"Â %â€"Â %Net income (loss)0.1Â %7.5Â %(3.4)%5.2Â %34Table of Contents RevenuesNet revenues consist of net sales and license revenues. Net sales consist of sales from apparel, footwear and accessories products. Our license revenues primarily consist of fees paid to us by licensees in exchange for the use of our trademarks on their products. The following tables summarize net revenues by product category and distribution channel for the periods indicated:Three Months Ended December 31,Nine Months Ended December 31,(In thousands)20242023Change ($)Change (%)20242023Change ($)Change (%)Net Revenues by Product CategoryApparel$966,068Â $1,016,655Â $(50,587)(5.0)%$2,671,048Â $2,911,669Â $(240,621)(8.3)%Footwear301,208Â 331,000Â (29,792)(9.0)%924,357Â 1,045,872Â (121,515)(11.6)%Accessories110,432Â 104,510Â 5,922Â 5.7Â %319,358Â 316,305Â 3,053Â 1.0Â %Net Sales1,377,708Â 1,452,165Â (74,457)(5.1)%3,914,763Â 4,273,846Â (359,083)(8.4)%License revenues23,904Â 29,069Â (5,165)(17.8)%70,371Â 82,787Â (12,416)(15.0)%Corporate Other (1)(573)4,809Â (5,382)(111.9)%(1,407)13,049Â (14,456)(110.8)%Â Â Â Â Total net revenues$1,401,039Â $1,486,043Â $(85,004)(5.7)%$3,983,727Â $4,369,682Â $(385,955)(8.8)%Net Revenues by Distribution ChannelWholesale$704,760Â $711,699Â $(6,939)(1.0)%$2,211,266Â $2,393,382Â $(182,116)(7.6)%Direct-to-consumer672,948Â 740,466Â (67,518)(9.1)%1,703,497Â 1,880,464Â (176,967)(9.4)%Net Sales1,377,708Â 1,452,165Â (74,457)(5.1)%3,914,763Â 4,273,846Â (359,083)(8.4)%License revenues23,904Â 29,069Â (5,165)(17.8)%70,371Â 82,787Â (12,416)(15.0)%Corporate Other (1)(573)4,809Â (5,382)(111.9)%(1,407)13,049Â (14,456)(110.8)%Â Â Â Â Total net revenues$1,401,039Â $1,486,043Â $(85,004)(5.7)%$3,983,727Â $4,369,682Â $(385,955)(8.8)%(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.Net SalesNet sales decreased by $74.5 million, or 5.1%, to $1,377.7 million during the three months ended December 31, 2024, from $1,452.2 million during the three months ended December 31, 2023. Apparel decreased primarily due to lower unit sales and unfavorable channel mix, partially offset by higher average selling prices. Footwear decreased primarily due to lower unit sales and lower average selling prices. Accessories increased primarily due to higher average selling prices and higher unit sales, partially offset by unfavorable channel mix. From a channel perspective, the decrease in net sales was due to a decrease in both wholesale and direct-to-consumer.Net sales decreased by $359.1 million, or 8.4%, to $3,914.8 million during the nine months ended December 31, 2024, from $4,273.8 million during the nine months ended December 31, 2023. Apparel decreased primarily due to lower unit sales, partially offset by higher average selling prices. Footwear decreased primarily due to lower unit sales and lower average selling prices. Accessories increased primarily due to higher average selling prices, partially offset by unfavorable channel mix. From a channel perspective, the decrease in net sales was due to a decrease in both wholesale and direct-to-consumer.License RevenuesLicense revenues decreased by $5.2 million or 17.8%, to $23.9 million during the three months ended December 31, 2024, from $29.1 million during the three months ended December 31, 2023. This was primarily due to lower revenues from our licensing partners in North America.License revenues decreased by $12.4 million or 15.0%, to $70.4 million during the nine months ended December 31, 2024, from $82.8 million during the nine months ended December 31, 2023. This was primarily due to lower revenues from our licensing partners in North America.35Table of Contents Gross ProfitCost 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. 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 $20.4Â million and $58.7Â million for the three and nine months ended DecemberÂ 31, 2024, respectively (three and nine months ended DecemberÂ 31, 2023: $19.6Â million and $58.7Â million, respectively).Gross profit decreased by $5.5 million to $665.2 million during the three months ended December 31, 2024, as compared to $670.6 million during the three months ended December 31, 2023. Gross profit as a percentage of net revenues, or gross margin, increased to 47.5% from 45.1%. This increase in gross margin of 240 basis points was primarily driven by favorable impacts of approximately 100 basis points of pricing benefits, primarily from lower levels of discounting and promotions within our direct-to-consumer channel; approximately 100 basis points from supply chain benefits related to lower freight and product costs; and approximately 35 basis points from changes in foreign currency.Gross profit decreased by $106.7 million to $1,924.0 million during the nine months ended December 31, 2024, as compared to $2,030.7 million during the nine months ended December 31, 2023. Gross profit as a percentage of net revenues, or gross margin, increased to 48.3% from 46.5%. This increase in gross margin of 180 basis points was primarily driven by favorable impacts of 120 basis points from supply chain benefits related to lower freight and product costs and approximately 60 basis points of pricing benefits largely due to lower levels of discounting and promotions within our direct-to-consumer channel.We expect the trends listed above to continue through the remainder of Fiscal 2025, but to a lesser extent.Selling, General and Administrative ExpensesOur selling, general and administrative expenses consist of costs related to marketing, selling, product innovation and supply chain, and corporate services. We consolidate our selling, general and administrative expenses into two primary categories: marketing and other. The other category is the sum of our selling, product innovation and supply chain, and corporate services categories. The marketing category consists primarily of sports and brand marketing, media, and retail presentation. Sports and brand marketing includes professional, club and collegiate sponsorship agreements, individual athlete and influencer agreements, and providing and selling products directly to teams and individual athletes. Media includes digital, broadcast, and print media outlets, including social and mobile media. Retail presentation includes sales displays and concept shops and depreciation expense specific to our in-store fixture programs. Our marketing costs are an important driver of our growth.Three Months Ended December 31,Nine Months Ended December 31,(In thousands)20242023Change ($)Change (%)20242023Change ($)Change (%)Selling, General and Administrative Expenses$637,701Â $599,230Â $38,471Â 6.4Â %$1,994,858Â $1,797,352Â $197,506Â 11.0Â %Selling, general and administrative expenses increased by $38.5 million, or 6.4%, during the three months ended December 31, 2024 as compared to the three months ended December 31, 2023. Within selling, general and administrative expense:â€¢Marketing costs increased $15.9 million or 11.0%, due to an increase in marketing activities during the period. As a percentage of net revenues, marketing costs increased to 11.4% from 9.7%.â€¢Other costs increased $22.6 million or 5.0%, primarily due to an impairment charge of $28.4 million related to vacating our previous global headquarters, higher incentive compensation expense, information technology related expenses and transformational charges recorded in connection with the 2025 restructuring plan. See Note 13 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional details. These were partially offset by lower salaries expense and selling and distribution expenses. Additionally, legal expenses were lower due to a 36Table of Contents $22.5 million accrual in the prior year related to the settlement of the Consolidated Securities Action as discussed in Note 10 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. As a percentage of net revenues, other costs increased to 34.1% from 30.6%. As a percentage of net revenues, selling, general and administrative expenses increased to 45.5% during the three months ended December 31, 2024 as compared to 40.3% during the three months ended December 31, 2023.Selling, general and administrative expenses increased by $197.5 million, or 11.0%, during the nine months ended December 31, 2024 as compared to the nine months ended December 31, 2023. Within selling, general and administrative expense:â€¢Marketing costs decreased $31.1 million or 7.1%, due to a reduction in marketing activities during the period. As a percentage of net revenues, marketing costs increased to 10.2% from 10.0%.â€¢Other costs increased $228.6 million or 16.8%, primarily driven by higher litigation expense, which includes a recovery of insurance proceeds related to the settlement of the Consolidated Securities Action as discussed in Note 10 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. Additionally, other costs increased due to an impairment charge of $28.4 million related to vacating our previous global headquarters, higher incentive compensation expense, information technology related expenses and transformational charges recorded in connection with the 2025 restructuring plan. See Note 13 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional details. These were partially offset by lower salaries expense and lower selling and distribution expenses. As a percentage of net revenues, other costs increased to 39.9% from 31.1%. As a percentage of net revenues, selling, general and administrative expenses increased to 50.1% during the nine months ended December 31, 2024 as compared to 41.1% during the nine months ended December 31, 2023.Restructuring ChargesRestructuring charges within our operating expenses primarily consist of employee severance and benefit costs, various transformational initiatives and facility, software and other asset-related charges and impairments. Three Months Ended December 31,Nine Months Ended December 31,(In thousands)20242023Change ($)Change (%)20242023Change ($)Change (%)Restructuring charges$13,945Â $â€"Â $13,945Â 100.0Â %$42,243Â $â€"Â $42,243Â 100.0Â %Restructuring charges increased by $13.9 million during the three months ended December 31, 2024 compared to the three months ended December 31, 2023 primarily due to $1.6Â million of employee-related charges, $5.7Â million of facility-related charges, and $6.7Â million of other restructuring charges.Restructuring charges increased by $42.2 million during the nine months ended December 31, 2024 compared to the nine months ended December 31, 2023 primarily due to $13.3Â million of employee-related charges, $18.2 million of facility-related charges, and $10.7 million of other restructuring charges. See Note 13 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional details.Interest Income (Expense), netInterest income (expense), net is primarily comprised of interest income earned on our cash and cash equivalents, offset by interest incurred on our debt facilities. See Note 9 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional details.Three Months Ended December 31,Nine Months Ended December 31,(In thousands)20242023Change ($)Change (%)20242023Change ($)Change (%)Interest income (expense), net$(3,391)$(211)$(3,180)(1507.1)%$(2,794)$(2,210)$(584)(26.4)%37Table of Contents Interest expense, net increased by $3.2 million to $3.4 million during the three months ended December 31, 2024, primarily due to a decrease in interest income resulting from lower interest rates.Interest expense, net increased by $0.6 million to $2.8 million during the nine months ended December 31, 2024, primarily due to a reduction in capitalized interest, partially offset by a decrease in interest expense as our Convertible Senior Notes matured during the current year and an increase in interest income. See Note 9 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional details.Other Income (Expense), netOther income (expense), net generally consists of unrealized and realized gains and losses on our foreign currency derivative financial instruments, and unrealized and realized gains and losses on adjustments that arise from fluctuations in foreign currency exchange rates relating to transactions generated by our international subsidiaries. Other income (expense), net also includes earn-out income recorded in connection with the sale of the MyFitnessPal platform and rent expense and associated sublease income relating to lease assets held solely for sublet purposes, primarily the lease related to our New York City, 5th Avenue location.Three Months Ended December 31,Nine Months Ended December 31,(In thousands)20242023Change ($)Change (%)20242023Change ($)Change (%)Other income (expense), net$(2,563)$47,927Â $(50,490)(105.3)%$(8,713)$35,763Â $(44,476)(124.4)%Other expense, net increased by $50.5 million to $2.6 million during the three months ended December 31, 2024, primarily related to an earn-out recorded during the prior year in connection with the sale of MyFitnessPal platform and a net loss from foreign currency hedges. Other expense, net increased by $44.5 million to $8.7 million during the nine months ended December 31, 2024, primarily related to an earn-out recorded during the prior year in connection with the sale of MyFitnessPal platform, partially offset by a net gain from foreign currency hedges. Income Tax Expense (Benefit)Three Months Ended December 31,Nine Months Ended December 31,(In thousands)20242023Change ($)Change (%)20242023Change ($)Change (%)Income tax expense (benefit)$6,295Â $8,569Â $(2,274)(26.5)%$9,308Â $41,333Â $(32,025)(77.5)%Income tax expense decreased $2.3Â million to an expense of $6.3Â million during the three months ended December 31, 2024 from income tax expense of $8.6Â million during the three months ended December 31, 2023. For the three months ended December 31, 2024, our effective tax rate was 83.3% compared to 7.2% for the three months ended December 31, 2023. The increase in our effective tax rate was primarily driven by the proportion of earnings subject to tax in the U.S. as compared to foreign jurisdictions in each period and the Fiscal 2025 impact of U.S. losses on foreign earnings subject to tax in the United States.Income tax expense decreased $32.0Â million to $9.3Â million during the nine months ended December 31, 2024 from income tax expense of $41.3Â million during the nine months ended December 31, 2023. For the nine months ended December 31, 2024, our effective tax rate was (7.5)% compared to 15.5% for the nine months ended December 31, 2023. The decrease in our effective tax rate was primarily driven by the proportion of earnings subject to tax in the U.S. as compared to foreign jurisdictions in each period and the Fiscal 2025 impact of U.S. losses on foreign earnings subject to tax in the United States.SEGMENT RESULTS OF OPERATIONSOur operating segments are based on how our Chief Operating Decision Maker ("CODM") makes decisions about allocating resources and assessing performance. Our segments are defined by geographic regions, including North America, EMEA, Asia-Pacific and Latin America. We exclude certain corporate items from our segment profitability measures. We report these items within Corporate Other, which is designed to provide increased transparency and comparability of our operating segments' performance. Corporate Other consists primarily of (i) general and administrative expenses not allocated to an 38Table of Contents operating segment, including expenses associated with centrally managed departments such as global marketing, global IT, global supply chain and innovation, and other corporate support functions; (ii) restructuring and restructuring related charges, if any; (iii) certain foreign currency hedge gains and losses; and (iv) operating results from the MapMyFitness digital platform, which was sold during the second quarter of Fiscal 2025.The net revenues and operating income (loss) associated with our segments are summarized in the following tables.Three Months Ended December 31, 2024 Compared to Three Months Ended December 31, 2023Net RevenuesThree Months Ended December 31,(In thousands)20242023Change ($)Change (%)North America$843,620Â $915,335Â $(71,715)(7.8)%EMEA297,890Â 284,049Â 13,841Â 4.9Â %Asia-Pacific201,112Â 212,018Â (10,906)(5.1)%Latin America58,990Â 69,832Â (10,842)(15.5)%Corporate Other (1)(573)4,809Â (5,382)(111.9)%Total net revenues$1,401,039Â $1,486,043Â $(85,004)(5.7)%(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.The decrease in total net revenues for the three months ended December 31, 2024, compared to the three months ended December 31, 2023, was driven by the following:â€¢Net revenues in our North America region decreased by $71.7 million, or 7.8%, to $843.6Â million from $915.3Â million. This was driven by a decrease in both our direct-to-consumer channel and licensing revenues, partially offset by an increase in our wholesale channel. Within our direct-to-consumer channel, net revenues decreased in both e-commerce and owned and operated retail stores.â€¢Net revenues in our EMEA region increased by $13.8 million, or 4.9%, to $297.9Â million from $284.0Â million. This was driven by an increase in both our wholesale channel and our direct-to-consumer channel. Within our direct-to-consumer channel, net revenues increased in both owned and operated retail stores and e-commerce. Net revenues in our EMEA region were also positively impacted by changes in foreign exchange rates.â€¢Net revenues in our Asia-Pacific region decreased by $10.9 million, or 5.1%, to $201.1Â million from $212.0Â million. This was driven by a decrease in both our wholesale channel and our direct-to-consumer channel, partially offset by an increase in licensing revenues. Within our direct-to-consumer channel, net revenues decreased in e-commerce and were relatively flat in owned and operated retail stores.â€¢Net revenues in our Latin America region decreased by $10.8 million, or 15.5%, to $59.0Â million from $69.8Â million. This was driven by a decrease in both our wholesale channel and our direct-to-consumer channel. Within our direct-to-consumer channel, net revenues decreased in both e-commerce and owned and operated retail stores. Net revenues in our Latin America region were also negatively impacted by changes in foreign exchange rates.â€¢Net revenues in our Corporate Other non-operating segment decreased by $5.4 million to $(0.6) million from $4.8Â million. This was primarily driven by lower foreign currency hedge gains related to revenues generated by entities within our operating segments.39Table of Contents Operating Income (Loss)Three Months Ended December 31,(In thousands)20242023Change ($)Change (%)North America$164,068Â $166,256Â $(2,188)(1.3)%EMEA42,110Â 49,133Â (7,023)(14.3)%Asia-Pacific14,009Â 16,014Â (2,005)(12.5)%Latin America14,186Â 13,367Â 819Â 6.1Â %Corporate Other (1)(220,864)(173,361)(47,503)(27.4)%Total operating income (loss)$13,509Â $71,409Â $(57,900)(81.1)%(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. Corporate Other also includes expenses related to our central supporting functions.The decrease in total operating income for the three months ended December 31, 2024, compared to the three months ended December 31, 2023, was primarily driven by the following:â€¢Operating income in our North America region decreased by $2.2 million to $164.1Â million from $166.3Â million. This was primarily due to a decrease in gross profit, partially offset by lower selling and distribution expenses. The decrease in gross profit was primarily driven by lower net revenues as discussed above, partially offset by lower product input and freight costs.â€¢Operating income in our EMEA region decreased by $7.0 million to $42.1 million from $49.1Â million. This was primarily due to higher marketing-related expenses, partially offset by an increase in gross profit, which was driven by higher revenues as discussed above.â€¢Operating income in our Asia-Pacific region decreased by $2.0 million to $14.0 million from $16.0Â million. This was primarily due to a decrease in gross profit driven by lower net revenues, as discussed above, and higher inventory returns. â€¢Operating income in our Latin America region increased by $0.8 million to $14.2Â million from $13.4Â million. This was primarily due to a decrease in selling and distribution expenses. Gross profit was relatively flat.â€¢Operating loss in our Corporate Other non-operating segment increased by $47.5 million to $220.9Â million from $173.4Â million. This was primarily due to an impairment charge related to vacating our previous global headquarters, higher incentive compensation, information technology related expenses and higher restructuring and related charges as a result of the 2025 restructuring plan as discussed above. Additionally, legal expenses were lower due to a $22.5 million accrual in the prior year related to the settlement of the Consolidated Securities Action as discussed in Note 10 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. Nine Months Ended December 31, 2024 Compared to Nine Months Ended December 31, 2023Net RevenuesNine Months Ended December 31,(In thousands)20242023Change ($)Change (%)North America$2,416,225Â $2,733,297Â $(317,072)(11.6)%EMEA807,960Â 797,781Â 10,179Â 1.3Â %Asia-Pacific590,609Â 646,315Â (55,706)(8.6)%Latin America170,340Â 179,240Â (8,900)(5.0)%Corporate Other (1)(1,407)13,049Â (14,456)(110.8)%Total net revenues$3,983,727Â $4,369,682Â $(385,955)(8.8)%(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.The decrease in total net revenues for the nine months ended December 31, 2024, compared to the nine months ended December 31, 2023, was driven by the following:40Table of Contents â€¢Net revenues in our North America region decreased by $317.1 million, or 11.6%, to $2,416.2Â million from $2,733.3Â million. This was driven by a decrease in both our direct-to-consumer channel and our wholesale 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 stores.â€¢Net revenues in our EMEA region increased by $10.2 million, or 1.3%, to $808.0Â million from $797.8Â million. This was driven by an increase in our direct-to-consumer channel, partially offset by a decrease in our wholesale channel. Within our direct-to-consumer channel, net revenues increased in both owned and operated retail stores and e-commerce. Net revenues in our EMEA region were also positively impacted by changes in foreign exchange rates.â€¢Net revenues in our Asia-Pacific region decreased by $55.7 million, or 8.6%, to $590.6Â million from $646.3Â million. This was driven by a decrease in both our wholesale channel and our direct-to-consumer channel, partially offset by an increase in licensing revenues. Within our direct-to-consumer channel, net revenues decreased in both e-commerce and owned and operated retail stores. â€¢Net revenues in our Latin America region decreased by $8.9 million, or 5.0%, to $170.3Â million from $179.2Â million. This was driven by a decrease in both our wholesale channel and our direct-to-consumer channel, partially offset by an increase in licensing revenues. Within our direct-to-consumer channel, net revenues decreased in e-commerce and were relatively flat in owned and operated retail stores. Net revenues in our Latin America region were also negatively impacted by changes in foreign exchange rates.â€¢Net revenues in our Corporate Other non-operating segment decreased by $14.5 million to $(1.4) million from $13.0Â million. This was primarily driven by lower foreign currency hedge gains related to revenues generated by entities within our operating segments.Operating Income (Loss)Nine Months Ended December 31,(In thousands)20242023Change ($)Change (%)North America$529,216Â $538,041Â $(8,825)(1.6)%EMEA114,161Â 117,738Â (3,577)(3.0)%Asia-Pacific58,158Â 86,020Â (27,862)(32.4)%Latin America41,528Â 32,759Â 8,769Â 26.8Â %Corporate Other (1)(856,202)(541,253)(314,949)(58.2)%Total operating income (loss)$(113,139)$233,305Â $(346,444)(148.5)%(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. Corporate Other also includes expenses related to our central supporting functions.The decrease in total operating income for the nine months ended December 31, 2024, compared to the nine months ended December 31, 2023, was primarily driven by the following:â€¢Operating income in our North America region decreased by $8.8 million to $529.2Â million from $538.0Â million. This was primarily due to a decrease in gross profit, partially offset by lower marketing-related and selling and distribution expenses. The decline in gross profit was primarily driven by lower net revenues as discussed above, partially offset by lower product input and freight costs. â€¢Operating income in our EMEA region decreased by $3.6 million to $114.2 million from $117.7Â million. This was primarily due to an increase in gross profit, partially offset by higher marketing-related expenses. The increase in gross profit was driven by higher net revenues as discusses above and lower product input costs. â€¢Operating income in our Asia-Pacific region decreased by $27.9 million to $58.2 million from $86.0Â million. This was primarily due to a decrease in gross profit, which was driven by lower net revenues, as discussed above and higher inventory returns.â€¢Operating income in our Latin America region increased by $8.8 million to $41.5Â million from $32.8Â million. This was primarily due to an increase in gross profit and lower marketing-related expenses and selling and distribution expenses. The increase in gross profit was primarily driven by lower product input costs.41Table of Contents â€¢Operating loss in our Corporate Other non-operating segment increased by $314.9 million to $856.2Â million from $541.3Â million. This was primarily due to higher litigation expense, which includes a recovery of insurance proceeds, related to the settlement of the Consolidated Securities Action as discussed in Note 10 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. The increase was also driven by restructuring and related charges of $57.4 million as a result of charges incurred under the 2025 restructuring plan as discussed above, an impairment charge of $28.4 million related to vacating the previous global headquarters, higher information technology related expenses and higher incentive compensation expenses. These were partially offset by lower salaries expense. 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 DecemberÂ 31, 2024, we had approximately $726.9 million of cash and cash equivalents. In August 2024, we utilized a combination of our cash on hand and insurance proceeds to fund the settlement of the Class Action litigation in accordance with the terms of the settlement agreement. See Note 10 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional details. 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, 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. As of December 31, 2024, we have repurchased a total of $65 million Class C Common Stock through accelerated share repurchase transactions under this program.If there are unexpected material impacts to our business in future periods from global or regional public health emergencies or other global macroeconomic factors, 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.Our Annual Report on Form 10-K for Fiscal 2024 noted that we will continue to permanently reinvest our non-U.S. subsidiariesâ€™ cumulative undistributed earnings of $1.5 billion, as well as future earnings from our foreign subsidiaries, to fund international growth and operations. During the first quarter of Fiscal 2025, we evaluated the undistributed earnings of our foreign subsidiaries and determined to repatriate a portion of these earnings. In 42Table of Contents connection with this evaluation, we recognized approximately $500 million of prior and current year earnings that are no longer considered to be indefinitely reinvested. We expect to incur approximately $0.4Â million of income tax expense, net of valuation allowances, related to the repatriation of these earnings. The remainder of our prior and current year undistributed foreign earnings will continue to be indefinitely reinvested to fund international growth and operations. As the majority of such earnings have been previously subject to U.S. federal tax, additional taxes due including currency gains or losses, capital gains, foreign withholding taxes, and U.S. federal and state taxes are not expected to be material.Refer to our "Risk Factors" section included in Part I, Item 1A of our Annual Report on Form 10-K for Fiscal 2024.Share Repurchase ProgramOn May 15, 2024, our Board of Directors authorized us to repurchase up to $500Â million (exclusive of fees and commissions) of outstanding shares of our Class C Common Stock through MayÂ 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, our financial condition, results of operations, liquidity and other factors.During the three months ended December 31, 2024, we entered into a supplemental confirmation (the "December 2024 ASR Agreement") of an accelerated share repurchase transaction with Truist Bank ("Truist") to repurchase $25.0Â million of our Class C Common Stock, and received a total of 2.8Â million of Class C Common Stock from Truist, which were immediately retired. As a result, $24.4Â 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 the nine months ended December 31, 2024, pursuant to the December 2024 ASR Agreement and the previously disclosed accelerated share repurchase transaction that we entered into in May 2024, we repurchased 8.7Â million shares of Class C Common Stock, which were immediately retired. As a result, $65.3Â 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.As of the date of this Quarterly Report on Form 10-Q, we repurchased a total of $65Â million or 8.7Â million outstanding shares of Class C Common Stock, leaving approximately $435Â million remaining under our current share repurchase program. During the three and nine months ended DecemberÂ 31, 2023, we repurchased and immediately retired 3.1Â million and 10.7Â million, Class C Common Stock, respectively, under our previously approved $500Â million share repurchase program which was completed in December 2023. Cash FlowsThe following table presents the major components of our cash flows provided by and used in operating, investing and financing activities for the periods presented:Nine Months Ended December 31,(In thousands)20242023Change ($)Net cash provided by (used in):Operating activities$142,880Â $476,863Â $(333,983)Investing activities(99,194)(71,541)(27,653)Financing activities(154,455)(74,985)(79,470)Effect of exchange rate changes on cash and cash equivalents(20,982)136Â (21,118)Net increase (decrease) in cash and cash equivalents$(131,751)$330,473Â $(462,224)Operating ActivitiesCash flows from operating activities decreased by $334.0 million, as compared to the nine months ended DecemberÂ 31, 2023, primarily driven by decrease in net income before the impact of non-cash items of $305.0 million and a decrease from changes in working capital of $29.0 million.43Table of Contents The changes in working capital were due to the following outflows:â€¢$221.9 million from changes in inventories;â€¢$77.2 million from changes in other non-current assets;â€¢$26.5 million from changes in accrued expenses and other liabilities; andâ€¢$12.5 million from changes in income taxes payable and receivable, net.These outflows were partially offset by the following working capital inflows:â€¢$140.4 million from changes in accounts payable;â€¢$78.6 million from changes in accounts receivable;â€¢$59.2 million from changes in prepaid expenses and other current assets; andâ€¢$30.8 million from changes in customer refund liabilities.Investing ActivitiesCash flows used in investing activities increased by $27.7 million, as compared to the nine months ended December 31, 2023. This was primarily due to an increase in capital expenditures, the acquisition of UNLESS COLLECTIVE, Inc and the equity method investment in ISC Sport. These outflows were partially offset by a higher earn-out collected in connection with the sale of the MyFitnessPal platform and the proceeds from the sale of the MapMyFitness platform.Total capital expenditures during the nine months ended December 31, 2024 were $139.9Â million, or approximately 4% of net revenues, representing a $23.3Â million increase from $116.5 million during the nine months ended December 31, 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, which we moved into in December 2024. During the nine months ended

December 31, 2024, we incurred capital expenditures of $88.5 million relating to the construction of our new global headquarters. As previously disclosed, our new global headquarters was designed in line with our long-term sustainability strategy which included a commitment to reduce greenhouse gas emissions and increase sourcing of renewable electricity in our owned and operated facilities. A portion of our capital expenditures included investments incorporating sustainable and intelligent building design features into this facility.Financing ActivitiesCash flows used in financing activities increased by $79.5 million, as compared to the nine months ended December 31, 2023. During the nine months ended December 31, 2024, we repaid the $80.9Â million aggregate principal amount of the Convertible Senior Notes outstanding using cash on hand. Additionally, we paid $65.0 million to repurchase shares of our Class C Common Stock through accelerated share repurchase transactions during the nine months ended December 31, 2024. During the nine months ended December 31, 2023, we paid $75.0 million 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 ResourcesCredit FacilityOn 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 July 2024, we entered into the fifth 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 $1.1Â billion of revolving credit commitments comprised of two tranches: (i) one tranche of $50Â million that has a term that ends on December 3, 2026, and (ii) a second tranche of $1.05Â billion that has a term that ends on December 3, 2027, in each case with permitted extensions under certain circumstances. As of DecemberÂ 31, 2024 and MarchÂ 31, 2024, 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 $300.0Â 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.44Table of Contents 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 DecemberÂ 31, 2024, $45.9 million of letters of credit were outstanding (MarchÂ 31, 2024: $4.2Â 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,Â among other things: incur additional secured and unsecured indebtedness; pledgeÂ theÂ 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. In July 2024, we entered into an amendment to the credit agreement to exclude from the definition of consolidated EBITDA certain charges related to the settlement of the Class Action Securities litigation described in Note 10 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. As of DecemberÂ 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 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, 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%). 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 DecemberÂ 31, 2024, the commitment fee was 17.5 basis points. 1.50% Convertible Senior NotesOn June 1, 2024, our previously outstanding $80.9Â million aggregate principal amount of 1.50% convertible senior notes due 2024 (the "Convertible Senior Notes") matured. The Convertible Senior Notes bore 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. Upon maturity, we repaid the $80.9Â million aggregate principal amount of the Convertible Senior Notes outstanding, plus $0.6Â million of accrued interest, using cash on hand. No holders exercised their rights to convert prior to maturity.3.25% Senior NotesIn June 2016, we issued $600.0 millionÂ aggregate principal amount of 3.25%Â senior unsecured notes dueÂ JuneÂ 15, 2026 (the "Senior Notes"). The Senior Notes bear interest at the fixed rate of 3.25% 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 restrictÂ ourÂ ability and the ability of certain ofÂ ourÂ subsidiaries to create or incur secured indebtedness and enter into sale and 45Table of Contents leaseback transactions andÂ ourÂ ability to consolidate, merge or transfer all or substantially all ofÂ ourÂ properties or assets to another person, in each case subject to material exceptions described in the indenture.CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONSOur Condensed Consolidated Financial Statements 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 complex 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.Refer to Note 2 of our Consolidated Financial Statements, included in our Annual Report on Form 10-K for Fiscal 2024, for a summary of our significant accounting policies and our assessment of recently issued accounting standards. ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKThere have been no significant changes to our market risk since March 31, 2024. For a discussion of our exposure to market risk, refer to Part II, Item 7A. of our Annual report on Form 10-K for Fiscal 2024.ITEMÂ 4. CONTROLS AND PROCEDURESEvaluation of Disclosure Controls and ProceduresOur disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1934, as amended (the â€œExchange Actâ€)) 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 due to the material weaknesses in our internal control over financial reporting described below.Material Weaknesses in Internal Control Over Financial ReportingAs previously reported in the Company's Annual Report on Form 10-K for Fiscal 2024, we identified material weaknesses in our internal control over financial reporting. 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. Additionally, 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.Remediation Progress for the Material WeaknessesWith respect to the material weaknesses, management, under the oversight of the Audit Committee, is in the process of designing appropriate internal controls specific to the impacted areas. While we have taken steps to implement our remediation plan, 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 46Table of Contents 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.Changes in Internal Control Over Financial ReportingAs described above, we are taking steps to remediate the material weakness in our internal control over financial reporting. No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.PART II. OTHER INFORMATIONITEMÂ 1. LEGAL PROCEEDINGSFrom 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 Condensed Consolidated Financial Statements for information on certain legal proceedings, which is incorporated by reference herein.ITEMÂ 1A. RISK FACTORSOur results of operations and financial condition could be adversely affected by numerous risks. In addition to the other information in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for Fiscal 2024. These are not the only risks and uncertainties facing us. Additional risks not currently known to us or that we currently believe are immaterial may also negatively impact our business, financial condition, results of operations and future prospects.ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS(c) Issuer purchases of equity securities:The following table sets forth the Company's repurchases of Class C Common Stock during the three months ended December 31, 2024 under the three-year $500 million share repurchase program authorized by the Company's Board of Directors in May 2024. PeriodTotal Number of Shares PurchasedAverage Price Paid per ShareTotal Number of Shares Purchased as Part of a Publicly Announced ProgramApproximately Dollar Value of Shares that May Yet be Purchased Under the Program (in millions)10/01/2024 to 10/31/2024â€”Â $â€”Â â€”Â $460.0Â 11/01/2024 to 11/30/2024â€”Â $â€”Â â€”Â $460.0Â 12/01/2024 to 12/31/2024(1)2,781,424Â $8.76Â 2,781,424Â $435.0Â (1) Represents Class C Common Stock repurchased through accelerated share repurchase agreements. See Note 11 to our Condensed Consolidated Financial Statements for details. ITEMÂ 5. OTHER INFORMATION (c)During the three months ended December 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.47Table of Contents ITEM 6. EXHIBITSExhibitNo.Â 31.01SectionÂ 302 Chief Executive Officer Certification.31.02SectionÂ 302 Chief Financial Officer Certification.32.01SectionÂ 906 Chief Executive Officer Certification.32.02SectionÂ 906 Chief Financial Officer Certification.101.INSXBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document101.SCHXBRL Taxonomy Extension Schema Document101.CALXBRL Taxonomy Extension Calculation Linkbase Document101.DEFXBRL Taxonomy Extension Definition Linkbase Document101.LABXBRL Taxonomy Extension Label Linkbase Document101.PREXBRL Taxonomy Extension Presentation Linkbase Document104Cover Page Interactive Data File (embedded within the Inline XBRL document)48Table of Contents SIGNATURESPursuant to the requirements of SectionÂ 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.Â UNDER ARMOUR, INC.By:/s/ DAVID E. BERGMANDavid E. BergmanChief Financial OfficerDate: FebruaryÂ 6, 2025 49DocumentExhibit 31.01 Certification of Chief Executive Officer Pursuant to SectionÂ 302 of the Sarbanes-Oxley Act of 2002 I, Kevin A. Plank, certify that: 1.Â I have reviewed this quarterly report on FormÂ 10-Q of Under Armour, Inc.; 2.Â Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3.Â Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4.Â The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have: a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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; c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and 5.Â The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions): a)Â all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b)Â any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting. Â Date: FebruaryÂ 06, 2025/s/ KEVIN A. PLANKKevin A. PlankPresident and Chief Executive Officer Principal Executive OfficerDocumentExhibit 31.02Certification of Chief Financial Officer Pursuant to SectionÂ 302 of the Sarbanes-Oxley Act of 2002 I, David E. Bergman, certify that: 1.Â I have reviewed this quarterly report on FormÂ 10-Q of Under Armour, Inc.; 2.Â Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3.Â Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4.Â The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have: a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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; c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and 5.Â The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions): a)Â all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b)Â any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting. Â Date: FebruaryÂ 06, 2025/s/ DAVID E. BERGMANDavid E. BergmanChief Financial Officer Principal Financial OfficerDocumentExhibit 32.01 Certification of Chief Executive Officer Pursuant to 18 U.S.C. SectionÂ 1350, as created by SectionÂ 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Under Armour, Inc. (the â€œCompanyâ€) hereby certifies, to such officer's knowledge, that: (i) the quarterly report on Form 10-Q of the Company for the period ended DecemberÂ 31, 2024 (the â€œReportâ€) fully complies with the requirements of SectionÂ 13(a) or SectionÂ 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. Â Date: FebruaryÂ 06, 2025/s/ KEVIN A. PLANKKevin A. PlankPresident and Chief Executive Officer Principal Executive OfficerA signed original of this written statement required by SectionÂ 906 of the Sarbanes-Oxley Act of 2002 has been provided to Under Armour,Â Inc. and will be retained by Under Armour,Â Inc. and furnished to the Securities and Exchange Commission or its staff upon request.DocumentExhibit 32.02Certification of Chief Financial Officer Pursuant to 18 U.S.C. SectionÂ 1350, as created by SectionÂ 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Under Armour, Inc. (the â€œCompanyâ€) hereby certifies, to such officer's knowledge, that: (i) the quarterly report on Form 10-Q of the Company for the period ended DecemberÂ 31, 2024 (the â€œReportâ€) fully complies with the requirements of SectionÂ 13(a) or SectionÂ 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. Â Date: FebruaryÂ 06, 2025/s/ DAVID E. BERGMANDavid E. BergmanChief Financial Officer Principal Financial OfficerA signed original of this written statement required by SectionÂ 906 of the Sarbanes-Oxley Act of 2002 has been provided to Under Armour,Â Inc. and will be retained by Under Armour,Â Inc. and furnished to the Securities and Exchange Commission or its staff upon request.