Under Armour's (UA) CEO Kevin Plank on Q4 2014 Results Earnings Call Transcript

Under Armour Inc. (NYSE:UA)

Q4 2014 Earnings Conference Call

February 4, 2015 5:00 PM ET

Executives

Tom Shaw – Director Investor Relations

Kevin Plank – Chairman and Chief Executive Officer

Brad Dickerson – Chief Financial Officer

Analysts

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Omar Saad – Evercore ISI

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Jim Duffy – Stifel

Michael Binetti – UBS

Eric Tracy – Janney Capital Markets

Operator

Good day ladies and gentlemen and welcome to the Under Armour, Inc. Fourth Quarter Earnings Webcast and Conference Call. At this time, all participants are in a listen only mode. Later, we will conduct a question and answer session and instructions will follow at that time. [Operator Instructions] As a reminder, this conference is being recorded.

I'd like to introduce your host for today's conference Mr. Tom Shaw, Director of Investor Relations. Sir, you may begin.

Tom Shaw

Thanks. Good afternoon to everyone joining us today's fourth quarter conference call. During the course of this call, we'll be making projections or other forward looking statements regarding future events or the future financial performance of the company. We wish to caution that such statements are subject to risks and uncertainties that could cause actual events or results to differ materially. These risks and uncertainties are described in our press release and in the Risk Factors section of our filings with the SEC. The company assumes no obligation to update forward looking statements to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

Joining us on today's call will be Kevin Plank, Chairman and CEO, who will provide an overview of our business including today's acquisitions of Endomondo and MyFitnessPal, followed by Brad Dickerson, our Chief Financial Officer, who will discuss the company's financial performance for the fourth quarter and full year 2014, followed by an update to our 2015 outlook. After the prepared remarks, Kevin and Brad will be available for a Q&A session. Finally, a replay of this teleconference will be available at our website at approximately 8:00 p.m. Eastern Time today.

And with that I'll turn it over to Kevin Plank.

Kevin Plank

Thanks, Tom and good afternoon everyone. Today, we reported outstanding financial results for 2014. It was a record year in almost every aspect of our business, enabling us to continue our streak and out 19 consecutive quarters of revenue growth over 20% and five consecutive quarters of 30 plus percent growth.

Heading into 2015, the confidence we have in our apparel and footwear business has never been higher. Our execution never better, and our ambition never stronger. We also announced the formation of the world's largest Digital Health and Fitness Community with the acquisitions of Endomando and MyFitnessPal, to supplement our existing MapMyFitness and Under Armour record platforms to create Under Armour Connected Fitness.

We believe this positioned Under Armour to meaningfully benefit as the world of technology and health and fitness intersect, creating new ways of connecting with athletes, building equity for our brand and additional levels of trust with our consumers.

So first, I want to spend a few moments, covering how our performance this past year will inform how we will grow our business in 2015 and beyond. And then spend some time on the future state of Under Armour, and how the acquisitions we announced earlier this afternoon will help ensure two things. That we reach our consumer in a manner they expect now and in the future and that we continue to grow our business in the manner our shareholders expect as well.

Crossing the $3 billion revenue mark in 2014 was an important milestone for our brand, and we did so with the most balanced growth in our history. And while a lot of today's conversation will be about new growth drivers. We had a tremendous year in our core apparel business, growing total apparel revenues by more than half a billion dollars. The growth was across all categories and genders across our wholesale and direct businesses, and new categories and established ones, and also across geographies.

We brought a new dimension to our brand in 2014 and laid the foundation for continued growth in women's with our, I WILL WHAT I WANT campaign. We continue to drive innovation in premium pricing throughout our North American Apparel business with large platforms like ColdGear Infrared, Charged Cotton and Storm, and in key categories like training, outdoor, golf, and women's studio. We are focused on gaining additional floors base in these categories with our key wholesale sporting goods partners through improved merchandising and key initiatives, like reinvigorating our core performance training apparel with the introduction of Armour. Our reengineered base layer featuring enhanced ventilation.

In addition, we see growth with our partners in department store channel as we build out broader businesses there in women's and kids. There are multiple parts to our apparel growth story for 2015, but they are consistent with what we've been and planning and executing against for the past 21 quarters and in each of them we've driven 20 plus percent growth in our core Apparel business.

We will continue to built out large platforms, charge better assortments and strategically broaden our wholesale distribution in the right businesses. Accompanying that growth with our wholesale partners and our continued focus on a direct consumer business where we grew 32% coming in at just under $1 billion for the full year. We saw strong growth in our Factory House stores as we increased our assortment of Footwear and benefited from our new Brand House stores in Tysons Corner and SoHo in New York.

In Q1, we are opening our largest Brand House yet Michigan Avenue in Chicago, where we will highlight the innovation, localization and specialization of product that we can only do in a 30,000 square foot Brand House environment. And you also see our Connected Fitness initiatives integrated into the stores, as well. We know from our experience in the existing Brand House stores especially in SoHo that we are better positioned to tell great footwear stories and we'll expand on that as we build out new doors in 2015 and beyond.

Our footwear business help accelerate our overall growth in 2014 with revenues up 44% for the year to $431 million. As we've been discussing on these calls, we are most proud of the foundation and the team we are building in our footwear category, as we continue to gain share and drive innovation in large categories like running and basketball. We significant invested in footwear leadership in 2014 and the strength of the Under Armour brand continues to bring consumers to our Footwear, while our focus on cushioning and fit is helping drive market share gains.

This past weekend Tom Brady won his fourth Super Bowl and third MVP award wearing red and white run n gun Under Armour cleats. And next week the biggest star in Under Armour's basketball universe and leading vote getter for the NBA All Star Game. Stephen Curry will be in New York City to debut his first signature shoe, the Curry One. We'll be telling the basketball world about it and we introduce our holiday one commercial next week starring Stephen and a very special surprise guest. This will be the largest campaign in our company's history, so big in fact that there will be a second part with for the campaign to support the introduction of the SpeedForm Gemini running shoe.

With the Curry One retailing at a $120 and the SpeedForm Gemini at $130, we are creating a sustainable platform for growth in footwear by focusing our premium innovative product for the best athletes in the world and will look back on 2014 as a pivotal year in the development of what may become our biggest engine for growth.

The last piece of 2014 that I'll discuss also happens to be the part of our business where we saw the greatest increase in growth, international. Revenues grew 96% to $260 million in 2014 as we open new markets around the globe. Expanded our wholesale account base and continue to build out our international brand house based with 68 brand house stores open outside the United States enrolling out underarmour.com in multiple new markets and languages.

As we head into another strong year of growth in our global business, we'll continue to invest in both local and global assets like our recent signing of Andy Murray, the number four rank tennis player in the world and Australian open finalist. We will strategically grow with our wholesale partners around the world, continue to build out the international brand house stores, going from 18 stores at the end of 2013 to 68 stores in 2014 and adding more than 100 doors this year. This growing global presence enables us to bring the full Under Armour story to our consumers outside the United States and illustrate the true breadth of our product innovations.

So summing up the year, 2014 was a period of great accomplishments for the Under Armour team and great an example of what's possible we're successfully anticipating the needs of our consumer. Our focus in 2015, as it has been since Under Armour's inception, is on making all athletes better and going well beyond their expectations. That philosophy enables us to focus on what is written on the white board in my office about everything else. Do not forget to sell shirts and shoes. That is job one for our team in 2015 and will always be the foundation on which we grow the Under Armour brand's global footprint.

That being said, I want to transition now and provide some color on how the acquisitions we announced earlier today accomplish two very important things. First, the immediate scale we gain by adding Endomondo and MyFitnessPal to the MapMyFitness in UA Record platform, positioning Under Armour as the world's largest digital health and fitness community.

And second, how this investment would enable us to better anticipate our consumers' needs, drive more inform purchase decisions and authentically build brand loyalty by helping our consumers lead a healthy life. So first the facts. Early last month we purchased Endomondo the Copenhagen based company that is still one of the largest global connected fitness communities, with approximately 20 million registered users, most of whom live in Europe. Endomondo provides the perfect strategic complement to the activity and work out tracking we currently have in our existing digital platform of MapMyFitness in UA Record.

And with today's announcement to acquire MyFitnessPal, we have firmly established our Connected Fitness platform as the leading provider of everything in athlete needs to live a healthier lifestyle. Based in San Francisco, MyFitnessPal is the leading resource for healthy living and nutrition with over 8 million registered users and world class nutritional resources. By bringing this established leader into our Connected Fitness platform, we can offer the full suite of information activity and workout tracking as well as nutritional expertise to truly make all athletes better. So what do we brought and more importantly why?

For starters with MyFitnessPal and Endomondo added to our existing platform, we now have the world's largest digital health and fitness community with a combined audience among all our platforms of over 120 million unique people. For perspective, there are approximately 20 digital communities in the world with more than a 100 million members to the first thing to note is the sheer scale that we now bring to bear.

I give you a sense of that scale, one out of every five people in the United States has downloaded one of the apps in our platform. Collectively, the three sites grew 46% last year, adding 40 million members and we continue to add over 100,000 registered users everyday. We have great geographic balance with 57% of our 120 million registered users in North America and the balance outside the United States. We also have 72 million women registered on our platform, providing another great opportunity for us to grow our brand presence with both female athletes and athletic females.

Second, owning the world's largest digital health and fitness platform provides an incredibly unique opportunity for Under Armour to build a different type of relationships with our consumer over the long term. Health and fitness is a part of your life from childhood onwards. And our goal in aggregating these three platforms is to make you better by making your health and fitness really easy to understand.

The truth is that you know more about how your car is performing than your own body. And we see the potential to inform and inspire our consumer through these assets and its impact on our ability to sell shirts and shoes as unparalleled in our industry. We build a $3 billion business by making great product and telling great stories, but there is nothing that says we must follow our competitors' playbook especially when the way consumers digest media and make their purchase decisions is undergoing such dramatic shifts.

The net result of the shift is that our consumer is demanding more from athletic brands and just making shirts and suits. We embraced those higher expectations and believe these investments position us better than anyone in our industry to truly make all athletes better.

At the end of the day, the math is pretty simple. The more active someone is the more likely they are to buy athletic apparel and footwear. And for the month of January, the four sites in our Connected Fitness platform, MapMyFitness, Endomondo, MyFitnessPal and UA Record recorded more than 100 million workouts and added 4.2 million new unique users. So how do we come to this decision to invest in these communities and strategically add another tool and how we interact with our consumer?

This chapter in the Under Armour story started at the NFL Combine in 2011, where we debut the Armour39, the first performance apparel that incorporated biometric measurements and was used to track the performance of top NFL prospects. We saw the potential and measuring performance and how our consumers could benefit from it. At the same time, a lot of different trackers are wearable technologies started to hit the market. And we were quick to realize that our core competencies lied in making shirts and shoes and understanding how to best incorporate technology to improve athletes' lives.

We also realize that for Under Armour, it wasn't as much about the hardware as there would always be someone else working in a lab or garage, someone who might crack the code on the next great device. And that we can create the most value by working closely with partners, who understood the power of the Under Armour brand and our knowledge of the athletes. At the same time, we started to understand that the true value for an athletic brand was actually in the community. And that crystallize for us when we started the conversation with Robin Thurston that led us to acquiring MapMyFitness in December of 2013.

As we started working with Bob and his team in Austin, Texas, it only reinforced our belief that the value is in the community, especially one where the user is not just looking at their friend's pictures, which providing you with data that empowers you to come back to them with an informed point of view to help improve their health and fitness. We understood that there was tremendous value in becoming that trusted brand as a setout to assemble all the elements that would enable Under Armour to be the one place to access all of that information.

From a geographic view, Endomondo was the obvious choice to complement MapMyFitness. Their community of 20 million users most of whom are based in Europe provides a great opportunity for us to learn from and expand our ability to interact with the consumers who are still relatively new to us. With MyFitnessPal, their expertise and the nutritional space positions us to have a complete picture of our athletes and rounds out the data from which we will be able to provide the most informed and personalized input on our users health and fitness.

So how will all this come together? All the three existing platforms MapMyFitness, Endomondo and MyFitnessPal will leave distinct platforms under the Under Armour Connected Fitness banner, but we have a longer term point of view in vision and it's found in UA record, the community we launched last month at the Consumer Electronic Show in Las Vegas. Over time, we believe UA record will eventually become the daily destination dashboard, aggregating all you want to know about your general fitness, sleep, steps, activity level and yes nutrition.

We know that we are on the verge of a marketable developments and wearable technology, some of which are being worked on across the street and in our own innovation lab right now. And our recently announced partnership with HTC will enable us to help develop statement level products that demonstrates the full capabilities of UA record, but by focusing on an open platform and being device diagnostic, we believe we are the best positioned among all athletic brands to benefit from the evolution of wearables.

So let me sum up with this investment we will do for Under Armour and why we believe it's critical to our ability to sell the shirts and shoes going forward. Everything about our consumer is rapidly evolving. The way they digest media, what influences their purchase decision, how and where they buy things. We see that everyday in our business, for example this past December, we did 77% more e commerce business on a mobile device than we did in December of just the year prior in 2013. Brands that do not evolve that do not offer their consumers nothing more than product will be hard for us to complete in 2015 and beyond.

We fully understand a massive shift and how consumer will intersect with that favorite brands. And these acquisition firmly position us on the leading edge of that new paradigm with the world's largest digital health and fitness community, we now have a unique opportunities to build equity and consumer loyalty over the long term. We will be able to provide the most complete measure of a person's health and fitness and become the trusted brand that will help to drive not only e commerce, but also long term value for our shareholders.

Are we ready for this next step? Two years ago, I would have had the answer no. But since that time, we have assembled an incredible pool of talent, led by three entrepreneurs who had literally helped to create the entire category of Connected Fitness, Robin Thurston and the founder of MapMyFitness; Mette Lykke, the founder and CEO of Endomondo; and Mike Lee, the founder and CEO of MyFitnessPal.

Prior to the MapMyFitness acquisition, we had four engineers working in our digital team. With the two acquisitions announced today that number is now over 300, more important in the sheer numbers. We now have three of the best minds in the space, all adept [ph] that navigating in a rapidly shifting market and all with extensive experience, understanding the needs of their communities.

Robin is going to run our overall Connected Fitness Business and reporting to him will be [indiscernible], who'll drive our international business and initiatives; and Mike Lee will be running our North American business. This breadth of experience will enable our core product leadership to focus on the business of selling shirts and shoes, as we build out these new growth platform that will position Under Armour at the center of the world's health and fitness activities for years and years to come.

And with that, I'll hand it over to Brad.

Brad Dickerson

Thanks, Kevin. I'll now spend sometime discussing our fourth quarter and full year 2014 financial results, followed by updated outlook for 2015. Our net revenues for the fourth quarter of 2014 increased 31% to $895 million. For the full year net revenues increased 32% to $3.08 billion, which compared to our most recent full year guidance of $3.03 billion.

As Kevin outlined, this $3 billion milestone was comprised of strong results across all of our growth drivers with Apparel up 30%, Direct to Consumer up 32%, Footwear up 44%, and International up 96%.

Focusing on the fourth quarter, we grew Apparel category 30% to $708 million compared to $546 million in the prior year's quarter. Similar to the third quarter, our platform innovations of Storm, ColdGear Infrared and Charged Cotton were key volume drivers across the category, while new innovation like this year's MagZip showcased our ongoing ability to bring value to the consumer. Areas of particular strength in Apparel include training, golf, outdoor, and studio.

Fourth quarter Footwear net revenues increased 55% to $86 million from $55 million the prior year, representing approximately 10% of net revenues for the period. We continue to see success in running footwear across a broader price spectrum, including the $100 Speedform Apollo, traveling markets share gains has been our core sporting distribution. Basketball also continued to gain momentum, most notably around the $125 ClutchFit Drive. These categories along with our ongoing strength in areas such as cleated and slide position Under Armour as the number two overall footwear brand in some of our top wholesale accounts in 2014.

Our accessories net revenues during the fourth quarter increased 22% to $79 million from $65 million last year. Growth during the quarter was primarily driven by headwear offerings, and gloves.

Our global Direct to Consumer net revenues increased 27% for the quarter, representing approximately 38% of net revenues. Within North America, our Factory House store footage grew 17% year over year. This growth reflects the total of 125 Factory House stores at the end of the year, up 7% from the end of 2013, as well as the upsizing of 14 existing locations during the year. On the full price side, we remained at 5 Brand House stores in North America.

In our e commerce channel, where we continue to see the migration of traffic from desktop to mobile devices, we were encouraged by the conversion improvements from our new responsive site launched at the end of September. We also followed up our third quarter launches of global e commerce sites in the UK, Germany and France with the fourth quarter debut of our site in Singapore, which is our first site in Southeast Asia. International net revenues increased 123% to $82 million in the fourth quarter and represented 9% of total net revenues. In EMEA region, we saw continued strength in our three key markets in Europe: The UK, Germany, and France and commenced our new distributor agreement covering the Middle East.

In Asia Pacific, we remain focused on accelerating growth at both wholesale accounts and distributor including partner store opening throughout Greater China and Southeast Asia. Finally in Latin America, our business benefited from the early 2014 conversion of our Mexico distributor to an Under Armour subsidiary and our market expansions into Brazil and Chile. This included our first South American brand house storage opened in Santiago, Chile during the fourth quarter.

Moving on to margins. Fourth quarter gross margins contracted a 140 basis points to 49.9% compared with 51.3% in the prior year's quarter. Three primary factors contributed to this performance during the quarter. First as discussed in our prior call, our sales mix adversely impacted gross margins by approximately 90 basis points for the period, primarily reflecting a higher mix of international net revenues including the introduction of new lower margin distributor businesses during the fourth quarter.

Second, the strengthening of the U.S. dollar negatively impacted gross margins by approximately 20 basis points for the period and finally higher freight costs to better meet consumer demand, negatively impacted gross margins by approximately 20 basis points in the period. Selling, general and administrative expenses as a percentage of net revenues levers 330 basis points, 33.6% in the fourth quarter of 2014 from 36.9% in the prior year's period. As a reminder, we incurred a higher incentive compensation expenses in the last year's fourth quarter which was a primary contributor of leverage in each of our four SG&A buckets.

Additional SG&A details are as follows. First, marketing cost decreased to 8.4% of net revenues for the quarter from 8.9% in the prior period. Second, selling cost decreased to 11% of net revenues for the quarter from 11.6% in the prior period. Third, product innovation and supply chain cost decreased to 8.4% of net revenues for the quarter from 9% in the prior year period. And finally, corporate services decreased to 5.8% of net revenues for the quarter from 7.4% in the prior period, inclusive of clothing costs for the MapMyFitness acquisition in the prior year period.

Operating income for the fourth quarter increased 49% to $146 million, compared with $98 million in the prior year period. For the full year operating income increased 34% to $354 million, compared to our most recent guidance of $348 million. Operating margin expanded 190 basis points during the quarter to 16.3%, compared to 14.4% in the prior year period. For the full year, operating margin expanded 10 basis points to 11.5%, compared to 11.4% in 2013.

Interest and other expense for the fourth quarter increased to $4 million, compared with $1 million in the prior year period, primarily reflecting the negative impacts of foreign currency along with increased interest expense from our additional term debt. Our fourth quarter tax rate of 38.3% was unfavorable to the 34% rate last year, primarily driven by the timing of a state tax credit received in the fourth quarter of 2013. Our full year effective tax rate of 39.2% was higher than the 37.8% rates in 2013, primarily due to increased international investments and the lacking of the state tax credit.

Our fourth quarter, net income increased 37% to $88 million, compared to $64 million in the prior year period. Diluted earnings per share increased 35% to $0.40 compared to $0.30 in the prior year period. Full year diluted earnings per share increased 27% to $0.95, compared to $0.75 in 2013.

On the balance sheet, total cash and cash equivalents at year end increased 71% to $593 million, compared with $347 million at December 31, 2013. Total debt increased to $284 million from $153 million at December 31, 2013. Both, our cash and debt positions reflecting additional $100 million term loan drawn during the fourth quarter used primarily for the closing on the $85 million Endomondo acquisition in early January. Inventory at year end increased 14% to $537 million, compared to $469 million at December 31, 2013.

Looking at our cash flow our investment and capital expenditures was approximately $59 million for the fourth quarter and approximately $145 million for 2014. Now moving onto 2015. We have three factors driving our updated outlook. First, the impact of the two new Connected Fitness businesses we are acquiring; second, the negative impact of the strengthening dollar on our international results; and third, the continued strength of our existing business.

Starting with revenues; we are maintaining our prior guidance of approximately 22% net revenue growth. It should be noted this is upper by higher number compared to three months ago as we exceeded our most recent 2014 target by nearly $55 million. This growth rate takes into account the strengthening of the U.S. dollar over the past 90 days, which has negatively impacted our 2015 net revenues forecast by approximately 1 percentage point from our prior guidance. However, revenues from the Connected Fitness acquisitions are expected to largely offset this currency impact.

As stated in our previous guidance, we expect solid growth across all of our growth drivers led by continued outperformance in our footwear and international businesses. We expect the year over year growth rate across each of the quarters in 2015 to be relatively consistent except for the fourth quarter were we will be lasting strong international growth including new market entries.

Now moving on to operating income, we are now planning 2015 operating income in the range of $397 million to $407 million, representing growth of 12% to 15%. This change from our prior guidance of operating income growth of 22% is largely due to the impact of our two Connected Fitness acquisitions. We estimate a 90 basis point of operating margin dilution from these acquisitions mostly within SG&A offset with a slight gross margin benefit. There are three components of this.

First, one time deal closing cost recorded in the first quarter are expected to impact the full year by approximately 20 basis points. Second, operating losses from the operations of the two businesses we are acquiring are expected to impact the full year by approximately 40 basis points. And third, the intangible assets generated from the acquisitions will result in non cash amortization charges, which are expected to impact the full year by approximately 30 basis points.

The recent strengthening of the U.S. dollar also has had a negative impact on our 2015 operating income guidance. Specifically in our gross margin line as we purchased the majority of our inventory for our international businesses in U.S. dollars. This just created an incremental 50 basis points impact operating margins just in the time of our prior guidance. We anticipate to offset this currency impact through targeted improvements in gross margin and SG&A.

Our current guidance assumes no further significant strengthening of the U.S. dollar compared to current exchange rates. From a gross margin standpoint, we believe we can still generate a modest improvement from last year's 49% level, despite foreign currency headwinds, even ongoing supply chain opportunities as the year progresses. Relative to timing we expect this improvement to be generally consistent throughout the year.

On SG&A we expect expense deleverage mainly driven by the Connected Fitness acquisitions. The rate of SG&A expense deleveraged is expected to gradually ease throughout the year from approximately 200 basis point deleveraged during the first quarter.

Factors weighing on expenses during the first quarter include higher year over year marketing expenses to support our first Brand Holiday of 2015, as well as the one time deal closing cost for the Connected Fitness acquisitions. Below the operating line we expect higher year over year interest expense for the funding of our Connected Fitness acquisitions. We anticipate funding these acquisitions through cash on hand and expanded term loan and revolving credit facility.

Full year effective tax rate is now expected to be slightly higher than our 2014 effective rate of 39.2%. The impact of the strong dollar on our international result is negatively impacting our 2015 effective tax rate in excess of 100 basis points. Our 2015 fully diluted share account is expected to be approximately $220 million.

Finally, as we indicated with our preliminary 2015 guidance in October, we expect elevated capital expenditures during the year. Part of this acceleration includes combined investments of approximately $90 million for our new domestic distribution center and the expansion of our corporate headquarters in Baltimore. We also expect elevated capital expenditures tied to our global retail expansion. In total we are currently planning 2015 capital expenditures in the range of $280 million to $290 million.

In conclusion, 2015 has developed into an important investment year for our company, as we trade the world's largest digital health and fitness community. We believe these investments will enhance and support our growth drivers and drive a long term value for our shareholders. Even after factoring in the dilutive impact on 2015, we believe that our forward three year operating income CAGR through 2017 will be in line with the 22% growth rate level that we provided in our prior 2015 guidance. We will provide specific long term guidance at our Investor Day targeted for September 16 of this year.

We now like to open the call for your questions. We ask that you limit your questions to two per person so we get to as many of you as possible. Operator?

Question and Answer Session

Operator

Thank you. [Operator Instruction] Our first question comes from Omar Saad with Evercore ISI. Your line is open.

Kevin Plank

Omar?

Omar Saad

Thanks guys, sorry about that. Nice quarter, congratulations on the bigger acquisitions. I wanted to ask about pricing. If you think about currency and some of the other things affecting your business, Kevin you mentioned premium pricing. Are you guys seeing that or thinking about using that more as a tool or mixing up to the higher price point products, the tool to drive the business and offset some of these currency and other issues...

Kevin Plank

Well, I think you heard some of the energy that we talked around footwear with the new Stephen Curry 1 at $120, SpeedForm Gemini at $130. [Indiscernible] a few years ago was what can we do to sell more products over a $100 and that's not as easy as it's said. And so we've had to learn that in the hard way, but I think what you've seen and now we're in our tenth year making shoes, our eight year selling shoes that we've actually gotten pretty good at it. And we can drive premium pricing, something what's been familiar to us in apparel for a very long time.

So I think that we're thoughtful and there is lot of factors of play with oil and a few other things they're still working their way through the system, but we're not seeing number one a great squeeze on the manufacturing prices that we're not enjoying any advantages just yet and we are feeling some of these currency benches, but I think everybody is trying to figure out which way is up with that. At the end of the day, I am not sure it's going to be any global or international market that will be dictating what price the Under Armour is assuming the relationship that we have with the consumer. And I think that we'll continue to drive that and echo that and everything we do from our branding, our marketing and frankly highlighted today with the two acquisitions that we announced about a deep and better understanding of that consumer.

Brad Dickerson

And Omar, a couple of other things on that too on pricing and also costing I guess I'd add into that next to. On the pricing side obviously with the strength in U.S. dollar, we'll look at the ability to increase prices potentially on the international businesses, but obviously, that's probably more of a 2016 conversation at this point and the teams are working through the impact of the strengthening dollar and how that will have on pricing on the international front. On the costing side kind of the same timeframe for the most part is we're about a year ahead of the selling season and locking in fabric pricing. So the locking in are our spring, summer 2015 product and obviously our fall, winter 2015 product too are really occurred a year or to eight months ago to some degree when oil prices were still elevated.

So when oil price is coming down that is one of the input cost, obviously that impact our cost. We're locking in spring, summer 2016 fabric pricing today and we'll be locking in fall, winter 2016 over of the course of the next six months. I think we have a better opportunity in 2016 both from a pricing perspective to the consumer and also the costing perspective from the vendor.

Omar Saad

Thanks, that's helpful. And then if I could ask one quick question on the acquisitions announced, for those of us who aren't familiar with those two platforms, maybe help us understand the two businesses, the revenue algorithm, it sounds like there going to be earnings drag and still on the investment phase although growing quickly. Just kind of some of the basic fundamentals around those businesses from a financial or even just help us understand what the [indiscernible]? Thanks.

Kevin Plank

Let me take a minute Saad, because I think it's worth just letting me explaining and go a little bit deeper. So bear with me here, but let me just start with first of all why we thought that we could do this. The basic reason is because frankly our business and our brand have never been stronger, 19 consecutive quarters 20 plus percent top line growth including last five of which we delivered over 30%. The year that we had in 2014 we saw strength across the business from, again core apparel business that grew by $0.5 billion, our footwear business that grew 44%, our international business grew 96% just to name a few of them.

And frankly at the end of the day as we said and you've heard me say, in my white board there you see lots of slogans, things would say like over promise and delivering, dictate the tempo, and walk with a purpose. And one note that's written in red very simply says don't forget to sell shirts and shoes, the reason that we did what we did today was because we believe ultimately this will help us sell more shirts and shoes and reach more athletes to make them better. So what we really did? This exercise began for us a little more than a year ago in December 13, we announced the acquisition of MapMyFitness and we paid a $150 million to them.

It really helps us established a beachhead in digital and as I said I think in my script, here I'd be talking about how we didn't really have a presence, I mean combined between our internal Connected Fitness team and our e commerce team we had less than 50 people in that group. And today we have roughly 400 people in the group we'll add another 100 this year.

So the world of Digital and again some of the anecdotes that led to that thinking and you heard me give the stats out 77% more people going to mobile we offset another stats for you, we had a 11% of our orders on cyber Monday this year last year, we saw come across mobile devices and in just one year in 2014 the same day apples to apples that number has grown to 27% of people that placed orders at ua.com were on mobile devices. So we recognize that having relations there is incredibly important.

With this acquisition though the one thing that we learned was that having additional functionality was we knew we had dealing with Robin and the team over the last 12, 13 months. But also realized what we didn't have. If our ultimate goal was to build a complete picture of the athlete there were two things that we're missing. Number one we have an incredibly North American outlook and so global scale was something that we were looking for.

And secondly, something that we thought would be much easier for us to buy than to try to build, was the idea of nutritional expertise and announcing the purchase of these two of the world's leading platforms Endomando in Copenhagen and MyFitnessPal in San Francisco. I mean in [indiscernible] we've created the world's largest Connected Health and Fitness Community with a 120 million unique members, and the largest by a factor of two and arguably three. So there is no real person in second place that we have basically aggregated this community all at once.

And just importantly it's growing at over 100,000 people a day and just a little fact, in January, its obviously a big month particularly for people as say start thinking about health and wellness measuring itself, we averaged a 136,000 people joining and registering every single day, totaling 4.2 million people in the 31 days of January. And just as impressively as you've heard me mentioned, over a 100 million workouts were locked, 100 million workouts. And so when you talk about the one thing that we emphatically know is that the more someone exercise is that the more that they workout, it's just logical that the more apparel and footwear that they are going to ultimately buy.

The mission that we have to make athletes better and with that information people choose to share with our Connected Fitness platforms, we think it creates the piece of the puzzle. It's going to allow us to have that total complete picture of the athlete. How much they're exercising, how much they're sleeping, how much activity they have, what they are putting in their body, and what the nutrition have . So with all of that it basically comes down to why we did it and really what it means for Under Armour.

The thing that as I saw it and look this was not an easy decision and as we talked about this, we debated this heavily internally, had a lots of conversations and at the end of the day we kept coming back to the same thing. Is that this will help drive our core business. This will help with our five core growth drivers. And frankly, the idea of standing here and looking and think should we do it or not. To me it felt incredibly obvious, it reminded me when I made that first and looking around and saying has anybody ever done anything like this and why everyone is still wearing short sleeve cotton tee in the summer and long sleeve cotton tee in the winter. And I look and say no one has aggregated and put all of these pieces together and we don't see anything coming.

So the ability we have was incredibly new, but why I saw this really wide spaced with what we're doing in making T shirts. The opportunity that we have here is a bit different just because there is so much energy and excitement around wearables and biometric measurement. But the surprise that I have is that frankly no one is leading or adjusting what we are today, the power of a truly Connected Fitness Community.

[Indiscernible] shift that's happening and way the consumers are interacting with their favor brands as a world goes digital, and we don't see anyone appropriately addressing the needs of consumers. So now when you look and just think about what's happening and frankly for myself, coming back of CES, in 2009 there were roughly $1 billion "connected things in the planet." An estimates depending on who you listen to by 2020 that number will be somewhere between $25 billion to $50 billion. So who does the best job of sensitizing that data and making it easier for the consumer to understand are the ones that will win.

Activity, sleep, exercise and nutrition and that's the place where we think that we can win particularly with our UA Record dashboard. And again the vision there is to become the daily dashboard that people check, the same way you check your bank balances, same way you check the whether, is the same way that you get an update on the most important asset in your life, your own personal health.

So, finally, this convergence that we see happening, the digitization of kids as we look and we talk to people and see that they have forgotten about no ones looking and wondering what's happening in the newspaper. You have one device that a 20 year old cannot live with today, right, it is not a magazine and print, it is without question it is a handheld device.

And what we see is with the acceleration of wearables and what's happening there that we feel like we are positioned squarely in the center of what is supposed to happen. Community and platform is the right play, and because of the acquisitions that began December 13, we're sitting in the middle of it. This aggregation provides us with the opportunity to build a long and sustainable relationship with our consumer and ultimately we think we're going to sell lot more shirts and shoes. That would be I was waiting for that question, I wanted to thank you.

Omar Saad

Thank you.

Kevin Plank

Thanks very much gentlemen.

Operator

Your next question comes from Camilo Lyon of Canaccord Genuity. Your line is open.

Camilo Lyon

Thanks. Good afternoon, guys. Nice job in the quarter.

Kevin Plank

Thanks Camilo.

Camilo Lyon

Shifting gears a little bit, Kevin it looks like you are making a bigger push into the outdoor category, if you could just talk about the opportunity that you see and how you think you will differentiate from some of the well established brands in that category and what you're doing to go after that consumer in a much bigger way.

Kevin Plank

Thanks, Camilo. So I think it's a massive opportunity for us. And frankly, it's one of those silent businesses that we don't get a lot of credit for, but that we are one of the pure player leaders in this space. Walk into any Cabela's Bass Pro shop and the Under Armour presence is overwhelming.

And first of all, as I dive into the question on outdoor, I think just given a nod, I think, to the brand that's been established with the elasticity that would demonstrate with the same company that can come out with probably one of the most talked about commercials of 2014 featuring Misty Copeland and Gisele in our women's business, I WILL WHAT I WANT campaign.

It's frankly the same company that has a relationship Willie from Duck Dynasty. And when you walk in, you see what we have in the outdoor, in the fishing, in the mountain business, there is a need for a brand like Under Armour, and I think we're continuing to innovate, refresh off the outdoor retailer show out in Salt Lake. And amongst other things, we won Best Product, most innovative product for new shoe that we have coming out called the Fat Tire shoe, it's a partnership that we did with Michelin and it puts us against currently with a shoe that's fashioned to be seen those big oversized bikes that ride on snow or can ride on sand. And I think it's just another approach that we're taking from a very consumer centric approach that demonstrates we know what we're doing.

From a ability to win there, you're going to start see our outerwear which we've been making frankly for the last seven and eight years. And among that time we've of course built a better relationship with the consumer, understanding them, but we've also built a better relationship with the factories, building better product, taking and incorporating the ethos the essence that is Under Armour that makes this special on the athletic playing field, makes us just as special on a ski mountain, just as special in the woods, just as special on a saltwater flat fishing boat. So I think what you're seeing from us is that what gives us the greatest elasticity is the ability to apply try the principles that make something so incredibly Under Armour and apply it to a market that makes sense.

We have an authentic team here, we have it on the grass root side, we have it on the product side especially we have it on the marketing side. And I think that we see a great opportunity with the business now that's clearly well over $300 million for us. That surprises people when they hear that number, in fact we're growing north of our external growth rates as a company too. So we great upside down and frankly we think we can be a player in the Outdoor space for a long time to come and we think that we've got a good relationship now and this just keep getting better and better.

Camilo Lyon

Great and then Brad just another question for you on the 2015 revenue outlook, so the fourth quarter had pretty impressive growth, on top of was a very strong growing quarter last year. So you see basically prove that you can comb on the comps. You're looking that 22% growth for 2015, may be you can just help us understand why that momentum that you're seeing in the business shouldn't sustain at some elevated level above that?

Kevin Plank

Sure. So if you kind of walk from our 2014 a 32% top line growth to our 22% guidance for 2015, I think, the first place you have to look is our international business, which grew 96% in 2014 and that really included a lot of new launches into new markets like Brazil, Chile, South East Asia and the Middle East. Most of those launches happening more from the middle of the back half of the year. So although we still anticipate very, very strong growth in our international businesses we will be comping those market entries, year over year.

In addition, on the international side the foreign currency, the strengthening off the U.S. dollar, I mentioned in my prepared remarks the 1% decline in revenue just from the last 90 days activity in foreign currency for the full year is a two percentage point growth head with the strengthening dollar, full year year over year for us. So if you take both of those factors, the international business comping those market launches and the impact of the strengthening dollar, we probably have more than half of the walk down from 32% to 22%.

On the North America side, obviously, we have this planned deceleration of our factory house growth, we've planning for over the course of the last few years. We talk about adding less new doors and focus more on square footage growth. So although we are focusing on square footage growth that that square footage growth year over year, as you saw in Q4, also it declined in 2014 from 2013. It will be declining throughout 2015 compared to 2014 also. So that's another factor that's really kind of driving us down.

And on the wholesale side, I have always been pretty clear and I am going to take a look at the information I have today, when we give our guidance and forecast going forward. And obviously, we have our Q4 results in, but the data point that I don't have today for the back half of 2015 is all of our bookings and orders on the wholesale side, specifically again in our largest business, which is North America wholesale don't have those booking in for a good part of the back half of the year, especially the fourth quarter. So obviously, taking a cautious approach to our forecast and from that aspect based on the sector we don't have that data in place right now.

Camilo Lyon

Perfect. Just quickly a follow up on that is there was a question and I think that Laurent asked about pricing. It sounds like with new technologies, new innovations, new product introductions that there is a positive ish fee contribution that we just expect to see at least in the back half, introducing GORE TEX into some of the outerwear, got new innovations on the [indiscernible] side. Is that a fair way to think about it? And if so, maybe help understand talk about the magnitude of the ASP increase?

Kevin Plank

Yes, I mean, we it's little hard to forecast an ASP increase. There's a lot goes into that relative to mix and the expectation of mix. But that's obviously, it's an important part of our story from an innovation perspective. And obviously as we innovate, those are mostly coming in at premium price point when we innovate. So it will definitely have a positive impact on our ASPs as it get to the back half of the year, continue to innovate. But obviously our price point increase over the course of the last few seasons has been kind of in the low to mid single digit range. So our story is growth, its unit growth, it's less about ASP growth. That ASP growth is important from an innovation perspective for us, but our brands is all about unit growth.

Brad Dickerson

Yes, look, Under Armour is a front porch brand. So what you will continue to see us do is take a Class A partner that we can bring in that have incredible technology like the Gores and like the Michelins and companies like the HTCs that we can use that to leverage our existing platform of story telling and we can take it in a meaningful way to our consumers that helps improve them and make an athlete better.

So we will continue to stay with that. We will continue to find the right partnerships. And when you make great product that actually works, it's not price is not your issue or your problem. So I think going back to the first question that Omar asked as well as that we've got a lot of room for our consumer that trust us. And what we do and we focused on every single day here is making sure we never violate that trust and keeping levering best in class products.

Camilo Lyon

Perfect, thanks guys.

Kevin Plank

Thanks very much.

Operator

Thank you, and our next question comes from Jim Duffy of Stifel, your line is open.

Jim Duffy

Thanks good afternoon everyone. So I look forward to watch in the connected health and fitness evolves that's quite a portfolio you've built. Kevin, with that mind, you speak to opportunity to leverage Endomondo European user base to help accelerate development of the shirts and shoes business in Europe?

Kevin Plank

Of course, so I think first of all, we're doing on a global basis right now, is pretty extraordinary. We're up a 123% in the quarter, 96% for the full year and it's a first year where we saw Europe to pass a $100 million and really hats off tour team and particularly, Matt Shearer, who is there before, who we pulled our Canadian business and sent over there to really get the shift right which was a place that we took a lot of hits in Europe for a long time before we figured out how to make things happen.

And we really took one of our own who built an amazing $100 plus million business in Canada and asked him to do the same thing in Europe. And then handed him the reins in the last eight months or so to an industry professional guide and Chris Bate has been, we've got the leadership established and in place. But there's a lot of things that apply there, so of course first and foremost his leadership. But I really like the assets that we've been signing and thank to the global perspective that we've taken. Things like Tottenham Hotspur and being in the EPL has been really important for us and continued to double down with athletes and with assets on the outside being relevant to that consumer but like anything, Europe is not happen over night and it takes a little bit longer. And so as we sit here in our, I guess ninth year doing business over there it's been a long run.

What we're seeing there was the partnerships that we have on the wholesale side, a lot of really good things that have been going on. Some of the milestones, again we said to surpassed $100 million, it's actually north of $130 million in Europe in 2014. And the plans that we have are even to breakeven for the first time in Europe, we took some Europe was difficult for a very long time, so going from not having that negative is actually is being a breakeven and actually looking and having a line of site to making money, is incredibly powerful for us.

The aided and unaided brand awareness that we have basically tripled year over year in key markets like the UK and Germany. The launch of our E Commerce site for the first time in the UK made a big deal, same thing in Germany, the same thing in France and then we expect to have at Netherlands and to the EU in 2015. And our market focus provided a visibility, the opportunity to drive deep account connections. We've been in some of the right places, we still have opportunity to go from a wholesale standpoint, it's a difficult wholesale environment to say the least in Europe but we see ourselves really driving and moving.

And frankly the partnership that we felt from people is that we're now getting recognized is that Under Armour is an incredibly key brand to have in your store and you cannot live without us. And frankly what we've recognized is that we can't live without them either, which is a very healthy relationship and one that we probably share in our wholesale environment here in the United States. So we're looking forward to some of those new partnerships we have.

But that that global story doesn't stop at the boarders of Europe either is that the good news is that what Charlie and our team in the international group have done are really driving Under Armour toward that vision of some day we expect in order to find ourselves the global brand that definition means that more than half of our revenues must come from outside of our home country. So we got a shot and we love the execution that our teams take and making that happen. And we've got Andy Murray now, finalist for the Australian Open, so it's a good scout on our team.

Jim Duffy

Great. And then state on the international topic, which are the regions are you most optimistic about growth for 2015. Is it Europe or some of the other regions, which maybe you didn't mentioned over delivering?

Kevin Plank

So let me layout. So Latin America was really it began as Charlie's wheelhouse for us, but we're looking at these markets and things that we thought would be nice countries to do business in. We're not looking at and saying what's our roadmap to $100 million, places like Mexico, Brazil, Chile, where it begins as always with great, great leadership. But Brazil right now, we've got over 100 branded spaces that we opened in 2014 while more than 250 spaces in 2015. Obviously the energy and excitement with the Olympics coming there next year is going to be a big deal.

Mexico continues to move for us. We've got a new master franchise agreement that's going to magnify our distribution approach that we have there, big assets like Toluca and Cruz Azul and the Mexican Football League there and then in Chile where we announced probably would felt like a bit pre mature, but Colo Colo which is one of the top football clubs in Chile. We opened our first brand house in the fourth quarter and its doing incredibly bigger than we thought it would do.

China is when we talk about store growth opening over a 100 stores, the majority of those stores come out of China and finding and many of them partner run and but it's not like its make the difference as we expand from just two cities to more than 10 cities across China. We want to get into the routes of the country and we want to make sure that they understand our authenticity and our commitment to China. But again China from where it was and we launched in 2008 2009, China again is going to be another international breakeven story for us. So the line of sight that we have towards making money in global markets is something that it's incredibly time consuming, it's an incredible amount of sacrificed money, energy and all those things, but we have an international team that is building out and giving us that global perspective as the company.

The new Southeast Asia distribution agreement that came to as well we have these terrific partners based in Singapore that have been really incredible markets that you didn't think of and one of the imagery we show when we talk about global growth is when we opened roughly 2,000 square foot store 200 square meter store in Downtown Manila in the Philippines and there is 700 plus people waiting in line to get into it. So we are seeing that there is a pool and there is an absolute demand for our brand.

And throughout Asia, our partners in Japan continue to move and grow. Currency has been a struggle with them, but on an apples to apples basis their business is incredibly healthy and growing at a real rate.

The last thing I'd like to say just about international growth and expansion and tying it back to the announcement that we've made today, we have frankly 52 million people outside of North America that now have Under Armour's Connected Fitness, one of our Connected Fitness platforms on their mobile, their digital device. It's the opportunity for us to have a different type of introduction with this consumer.

It's a different type of handshake that we are going to introduce the Under Armour brand to them. And we think we can do it an incredibly digital way. We think its going to give us the opportunity to tell the incredibly complete story of who we are and just as importantly where this brand is headed.

So a lot of energy and excitement around what's happening with Under Armour on a global basis to the point where people here are knocking on my door saying, I want to can I go move to Australia, can I move to China, can I move to these other markets. And so I think it's a lot of energy and excitement, I think that digital painting of global brand is something that we expect to bring to life.

Jim Duffy

Great. Thanks for the regional profitability perspective.

Kevin Plank

You bet, thanks. One at a time, Jim, one at a time.

Operator

Thank you. Our next question comes from Michael Binetti of UBS. Your line is open.

Michael Binetti

Hey, guys, good evening, great quarter.

Kevin Plank

Thanks, Michael.

Michael Binetti

Just on the guidance, Brad, maybe just a good one for you. If I strip out what you are telling us the guidance was like for the acquisitions and maybe FX, it looks like a pretty meaningful increase to the EBIT dollars here. And you said, you pointed quickly to supply chain efficiencies and those kind of things. Just the number looks a little bit [indiscernible] so maybe we can just get a little bit more color on that please?

Brad Dickerson

Yes, you are talking about the offset basically to what I talked about in my prepared remarks.

Michael Binetti

Yes, it seems like some pretty good efficiency rolling through there.

Brad Dickerson

Yes, I think part of it was looking at some opportunities that were really driven by the impact of the strengthening dollar to some degree. So a lot of our initiatives are focused on things in the supply chain for the fact that the dollar strengthened pretty significantly here in the last 60 days really. I think it gives us some opportunities potentially within the supply chain to take advantage of some of that especially towards the back half of this year, obviously, the front half of this year is locked in.

So part of that probably initiative there is to look at ways to get some money out of the supply chain because of the strengthening dollar. Obviously, you kind of have some offsets in SG&A with the strengthening dollar too in the international business from a cost perspective to that just going to come naturally. And if there are just things of SG&A or itself as we did the acquisitions, there are some things that made sense to scale back a little bit because we felt the investment in the acquisitions was a complimentary thing to be doing to some of the things that we're planning on doing initially anyway, so some synergies there to some degree.

So although it seems like big, big items there to offset, most of them are pretty natural because of the strengthening dollar, some synergies and the acquisitions that we're doing compared to some other investments that we're going to make and some things naturally true [indiscernible] make sense for us to kind of go after again just from a bottom line perspective.

Michael Binetti

Okay, thanks. That is helpful. And then if wouldn't mind just a couple other modeling questions. It's we obviously got like a one time step up change in the revenue growth rate for international as you rolled in some businesses this year, but I think one of the more complicated things for the modelers is to figure out what the run rate of these international businesses. Is there anyway you could give us guardrails to think about between U.S. growth versus international growth for the year within your guidance and then maybe DTC versus wholesale just we have some guardrail.

Brad Dickerson

Yes, I mean, I could probably pick points more directionally and giving you actual numbers, but again like if you think about our overall growth in company in 2014 of 32% and our international growth at 96%. There is even three times number basically there international versus overall company growth. Obviously as we talk about again lasting some of those market entries last year, again the impact of foreign currencies on international revenues that that growth rate will come down much more. So instead of a three times number, it might look more like a two times number or something like that, but again I'm thinking more directionally here versus giving you number.

On the DTC side, the real change here is going to be on the factory house side that real change is again planned business we've been talking all along in the last couple of years. The ability to really focus more on our Brand House initiatives and our e commerce business has growth drivers and really planning on taking our especially North America Factory House growth down as we started limit our new door growth and focus on square footage growth. So again I think that's going to be a piece that if you look at DTC growing 32% this year, you would expect with Factory House being a largest portion of that, you would expect that growth rate to come below 30% to some degree.

Michael Binetti

Thanks a lot guys.

Brad Dickerson

Okay.

Kevin Plank

Operator we have time for one more question.

Operator

Thank you. Our next question comes from Eric Tracy of Janney Capital Markets. Your line is open.

Eric Tracy

Hi guys, thanks for squeezing me in, my congrats.

Kevin Plank

Thanks Eric.

Eric Tracy

Hi, Kevin, let me up on footwear here, I don't think we've really talked about that. Is this feels this was the year that you gotten permission from the consumer, clearly reflected in the pricing migrating higher, is huge brand campaign around [indiscernible]. Maybe just talk through again the selection, how we think about the innovation sort of emerging? And then maybe most importantly adding Peter here to the leadership team what we should be thinking about directionally for the overall business?

Kevin Plank

Of course, so like everything it always begins with leadership. And first of all, that starts with my regional partner Kip Fulks who has been driving footwear for last several years. And Kip is really he is the heart and soul of this company, and I think what we'd always looking for is for that heart and soul to come out through our product. And something we are very proud of is our apparel, but something I would think that the consumers seen come out and really articulate in the voice of our footwear product too.

So a lot of big stories, lot of good things to build on I mean, launching this SpeedForm platform was one of the leading launches that we had in best debut runners world and I think a lot of accolades that made us all incredibly proud of what we did last year. Likely I feel like we're always getting caught up talking about success and cleats. But that is really a big deal from where we begin all the way back in 2006 till today. We are clearly the number two player in the market with somewhere in the mid 30s in terms of market share. And outline of side is being the number one football cleat in America.

And we say that from the standpoint now if it leaves we can kill it. And what we heard was that we would never have the ability to be successful in these markets, we could never, we can never. And all we've done is comeback with better product every single year winning more consumers that are choosing our brand.

So what you're seeing happen in play out in our longer standing business in Apollo was this American football cleats, its happening in the same way in baseball cleats, its happening in the same way in training shoes, in running shoes and in basketball shoes right now. So the big place that we are looking for is and you know I can, one thing I definitely want to say is that when it comes to footwear, we have a solid footwear company, I mean, with the growth that we saw at a 44% growth that we saw were over $400 million today and growing at an incredibly healthy phase.

We are the number two market share in overall footwear at several of our key accounts. So there are lots of places around this country and frankly places we are working on around the world that Under Armour is absolutely winning in footwear. And then also things like anecdotally doubling our basketball footwear business as season lead by things like the ClutchFit Drive that you saw on three other teams we have in the top 25 in the AT Men's poll [ph] and I think three to the top five in the Women's Day people is well. So Under Armour makes great quality shoes and especially when you talk about things like basketball, we have the leading vote getter by 40,000 votes for the NBA All Star Game.

Like Stephen Curry has been an unbelievable human being to begin with, but its five odd quarters something this is flat out of inspirational. So we're incredibly proud of what that means. In addition with Kip, we talk about Peter joined in the team. So you're bringing an professional in, you're bringing an absolute that who comes in who's basically seen the big movie before and someone who could help us as we start guiding ourselves through that where a lot of big numbers starts to laying in. And I don't see the growth rates flowing in footwear and I'll temper myself when I say that. But I think that we have an opportunity as impressive as 44% is, I would say there are opportunities still much, much larger than that.

In 2014 alone we added 60 teammates to our team. We really reinforced our office in Portland and some a place that we will continue to add talent and bring people toward as well as bring Peter Ruppe as our new SVP of Footwear, the 25 years of industry experience that Peter brings is something that complements probably the brand knowledge that Kip has, what's the expertise that we build here. And beyond that just a really great team and a really positive energy in Under Armour footwear.

So we've pleaded we'll continue to lead and attack their football, baseball all these categories, Speedform is actually a product in a platform that we're taking into our creative business as a whole, the highlights continues to be the top selling premium product sold at key accounts like Eastbay and frankly places where kid shop go to a football field and you'll find our products showing up there.

Our running is really the next chapter for us. It's a place that we really focused. The Speedform that they view it last year was pretty impressive, the Gemini what you will hear from people its not only the best running shoes that Under Armour has ever built, they could be one of the best running shoes ever. It is that good of a product and has a $130. We're really reinforcing ourselves. I think as a premium player and what we're seeing from some of the especially the key accounts that we have in the run specialty shop getting refills and things that the kind of reaction we have in Under Armour for a very long time.

That's [indiscernible] Stephen is a signature shoe kind of an individual. And as I said in my script earlier that Stephen will be featuring him next weekend at the NBA All Star Game where we're launching a commercial, the new Stephen Curry one, a lot of energy and expectation around that. And I think the campaign is one of the best that we've done in our history. And then as I mentioned on the earlier question as well like footwear is something that stops its sporting goods either. What we're doing in the outdoor space, our outdoor footwear line is one of the most impressive frankly anywhere in the world and that shoe that we won best new product and best innovation at the outdoor retailer, the Fat Tire shoe that thing is cool.

You should get one to your kids; they're going to go crazy for it. But I think it also demonstrates our ability to sell leveraging our partnerships with people like Michelin and people like [indiscernible] of the world that we don't have to do all the heavy lifting ourselves and that we're taking this platform that we have as the consumer wants our brand. We're making sure that we just put the best around it all the time.

So lastly from a distribution standpoint in footwear, we're going to continue to broad in our footwear business inside of our existing terrific partners that we have. We don't believe that we need necessarily new doors today as much as we just need to be excellent in the doors where we're doing business. And for us that begins with sporting goods it also means extending some of our key partners at places like Finish Line and Foot Locker. And one quick note as well as just to support that we felt from the executive team as Foot Locker and particularly Ken Hicks and wishing him well in his retirement and welcoming Dick Johnson, who is that first person who bought Under Armour back in each day when he reared that in 1999.

So long story we've been at this for a long time, we feel pretty very proud of what we've done and thankfully we think we're just getting started.

Kevin Plank

[Indiscernible] sneak out long was a pair of flat tires not from kind to me in and I didn't want it.

Eric Tracy

Hey, let me just really, quickly follow with Brad, just again if we could from a modeling perspective, if we strip out currency and the supply chain efficiency sort of offset there. And I think through again just a mix shifts on the accelerating footwear and still outsized international growth. And what point are we at whether it's, we really start to flatten it, it is at least neutral is it this year, is it next year just trying to think through to delusion accretions for these businesses?

Robin Thurston

I think one thing we should take into account is the fact that we had been investing in the Connected Fitness business over the last couple of years, even before these two acquisitions. So the reality that our operating margin has been relatively flat over the last couple of years that 11.4%, 11.5% range. Reality is the mix of that Connected Fitness obviously has been an investment and increasing investment on the last couple of years, even before these acquisitions and on top of that, obviously adding 90 basis point dilutive impact in 2015.

So the reality is over the last couple of years we have been leveraging kind of our core business. Even though we are investing in places like International, and innovation and product creation and footwear, we're still seeing some leverage across other points in our existing business. And Connected Fitness has been an investment perspective.

So if you look going forward, I think, what you would expect to see is continued investment in places like I just mentioned, International although becoming profitable and although leveraging within the business and itself, is still really an overall investment point in overall company. Things like Brand House was the kind of just kind to getting of the ground whether it be Brand House in the international front or specifically Brand House here in North America is definitely in investment mode for us.

And then I think again Connected Fitness with the acquisitions on top of the existing model will be investment mode. So I think what you're seeing here is kind of a continuation of leverage in our core business in the places you would expect us the leverage and balancing that leverage with needed investments to continue to drive long term sustainable growth for our brand.

Eric Tracy

Perfect. Thanks, guys.

Kevin Plank

Thanks very much, Eric.

Kevin Plank

And If I could just take one moment and thank everyone for joining us today. We're incredibly proud of our results and performance and consistency that we have demonstrated throughout 2014 as well as the defining steps taken today to drive our leadership in the Connected Fitness space.

We look forward to providing further details on our Connective Fitness efforts at our presentation and webcast next Tuesday, February 10, live from New York City beginning at 10 AM and you are all invited. Thank you all very much and have a great year.

Operator

Ladies and gentlemen, thank you for your participation in today's conference. This concludes your program. You may now disconnect. Everyone have a great day.