

Nike vs. underarmour

Business



Nike V. Under Armour Nike and Under Armour are two sports clothing companies and they both are competing against each other in terms of customers as well as endorsements. The customers of both these companies include those individuals who love sports and are fans of various sports clubs and activities. These companies even compete against each other in terms of financial health and both of them are trying to take away each other's share of the market. The main difference between these two companies is that Nike is a much larger company with Nike having almost 5 times more market capitalization as compared to Under Armour (NKE Key Statistics 1). Nike has an advantage over Under Armour on the basis of market capitalization; it is even making more profit as compared to Under Armour. The total earning of Nike before taxes is more than 425.05 million and at the same time the earnings of Under Armour is 4.08 million (UA Key Statistics 1). Nike is making good profits and is a much larger company than Under Armour, but Nike's current ratio which refers to the companies to pay off its debt obligations is much weaker as compared to Under Armour. Under Armour's current ratio is more than 3, while Nike's current ratio is less than 3 which depicts that Nike's ability to repay its debts are quite weak. This is mainly because Nike has to repay huge amount of debt as compared to Under Armour. The debt that Nike has to repay is \$1.25 billion, whereas Under Armour has to repay a debt of 282 million.

Works Cited

“ UA Key Statistics | Under Armour, Inc. Class A Comm Stock - Yahoo! Finance.” Yahoo Finance. N. p., 2015. Web. 19 Apr. 2015.< <http://finance.yahoo.com/q/ks?s=UA+Key+Statistics>> “ NKE Key Statistics | Nike, Inc.

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