

NIKE, Inc. (NKE US, HOLD, TP: US\$75.30)

BUY

HOLD

SELL

Target Price: US\$75.30 **Price: US\$69.09**

Potential up/downside to TP +/-%	+9%
52-Week High/Low (US\$)	84.76/52.28
Market Cap (US\$m)	100,496
Shares Outstanding (mn)	1,455
3-mth ADTV (US\$m)	870
Free Float (%)	99
Major Shareholder (%)	
Swoosh LLC	16
Vanguard	9
BlackRock	7

 Price as of close on October 08, 2025.
 Source: FactSet

Key Changes

	New	Old	Diff
Rating	HOLD	HOLD	N/A
Target Price (US\$)	75.30	72.90	3%
2026E EPS (US\$)	1.66	1.64	1%
2027E EPS (US\$)	2.39	2.34	2%
2028E EPS (US\$)	2.85	2.65	8%

Price Performance



China Renaissance vs Consensus (% Diff)

	2026E	2027E
Rev (US\$m)	46,897 (-0%)	49,468 (-1%)
EPS (US\$)	1.61 (+3%)	2.62 (-9%)

Note: Consensus estimates displayed, sourced from Visible Alpha. Positive % diff = CR estimate above consensus; negative = CR estimate below consensus.

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Running out of the tunnel, yet tariff remains a drag

- **FY1Q26 earnings beat helped by running, North America and wholesale sales**
- **Headwinds from Dunk, Greater China and Converse take time to digest.**
- **Maintain HOLD and raise TP to US\$75.30 (31.5x FY27E P/E).**

FY1Q26 results beat. Nike posted FY1Q26 net income of US\$727mn, down 31% YoY but up 245% QoQ, beating our estimate by 94%, helped by better-than-expected topline and gross margin. Total revenue was up 1% YoY to US\$11.7bn, better than its guidance, mainly helped by the better performance in running, North America and wholesale sales. Management commented that running was a bright spot with revenue up 20% YoY in FY1Q26, in which North America, EMEA and APLA all enjoyed double-digit % growth, and Greater China had high-single-digit % growth. Gross margin declined 320bps YoY to 42.2%, better than its guidance, helped by lower warehousing and logistic costs and FX tailwind to slightly offset higher discounts for wholesale and Nike factory stores, and increasing product costs. SG&A expense was down 1% YoY to US\$4.02bn, mainly due to part of demand creation expenses rolling forward to FY2Q25. Net margin was 6.2%, down 2.9ppts YoY. Inventory-to-sales spread was -281bps, vs 1,157bps in FY4Q25, which showed good inventory digestion progress toward a healthy marketplace by end-FY1H26.

Conservative FY2Q26 guidance. FY2Q26 revenue is expected to be down by low-single-digit % YoY, due to the continued softness of Nike Digital, and headwinds from classic footwear franchise especially Dunk, Greater China and Converse, together offsetting wholesale growth modestly and the recovery from North America; GM to be down 300-375bps YoY, including 175bps negative impact from tariffs; and SG&A expense to rise by high-single-digit %. Spring order books are up YoY led by sport. In FY26, management expects wholesale revenue to resume modest growth, while Nike Direct to be down YoY, due to repositioning of Nike Digital as a full price model and double-digit decline in organic traffic. The gross incremental cost from tariff is revised up to US\$1.5bn, vs previous estimate of US\$1bn, as new reciprocal tariff rates have been raised for certain countries.

Maintain HOLD and raise TP to US\$75.30. We raise our FY26E/ 27E/ 28E net income forecasts by 1.3%/ 2.9%/ 8.2%, helped by higher revenue forecasts by 2.4% amid the recovery of sports segment and wholesale channel, offsetting lower gross margin estimate by 40-50bps in FY26-27E amid tariff impacts. Following our earnings forecast revisions, we raise our target price to US\$75.30 from US\$72.90, based on 31.5x FY27E P/E (unchanged), benchmarking Nike's 12-month forward average P/E over the past three years. We are positive on Nike's running and wholesale performance which showed early positive signs of its "Win Now" actions, yet its near-term profit might still be challenging amid the US tariff. We will keep an eye on its new launch of NikeSKIMS and see if any strong-selling products would hit the market to provide the inflection point to its overall business. Key risks: Upside – stronger consumer spending recovery, faster gross margin expansion, easing competition, and lower-than-expected demand creation expenses. Downside – slower consumer spending, larger discounts, and supply chain disruptions.

Summary Financial Data

FY to May 31	2024A	2025A	2026E	2027E	2028E
Revenue (US\$m)	51,362	46,309	46,877	49,170	51,586
EBIT (US\$m)	6,539	3,778	3,026	4,252	5,090
Net Income (US\$m)	5,700	3,219	2,435	3,479	4,149
EPS (US\$)	3.73	2.16	1.66	2.39	2.85
P/E (x)	27.5	34.7	41.7	28.9	24.2
EV/EBITDA (x)	19.4	19.6	27.1	20.0	16.8

Note: Historical valuation ratios calculated on yearly average price.

FY1Q26 results review

Nike posted FY1Q26 net income of US\$727mn, down 31% YoY but up 245% QoQ, beating our estimate/ Visible Alpha consensus by 94%/ 90%, helped by better-than-expected topline and gross margin. Total revenue was up 1% YoY to US\$11.7bn, better than guidance of mid-single-digit % decline, mainly helped by the better performance in running, North America and wholesale sales. Gross margin declined 320bps YoY to 42.2%, better than guidance, due to lower warehousing and logistics costs (+50bps) and FX tailwind (+30bps) which slightly offset higher wholesale discounts, higher discounts in Nike factory stores, channel mix headwinds (-250bps), increasing product costs including new US tariffs (-100bps), and lower margin from Converse (-30bps). SG&A expense was down 1% YoY to US\$4.02bn, mainly due to part of demand creation expenses (-3% YoY) rolling forward to FY2Q25. Net margin was 6.2%, down 2.9ppts YoY.

- Nike Running's sales were up 20% YoY in FY1Q26, vs high-single-digit % YoY in FY4Q25, in which North America, EMEA and APLA all enjoyed double-digit % growth, while Greater China had high-single-digit % growth.
- Classic footwear franchise remained challenging, with Dunk down in all geographies, though there were early positive signs that Air Force 1 is stabilizing, and Air Jordan 1's inventory is returning to healthy levels.
- Among Nike brand's regional revenue growth, EMEA/ North America/ APLA was up 6%/ 4%/ 1.9%, while Greater China was down 9.2% YoY, respectively.
- Nike brand's DTC sales declined 5% and wholesale revenue rose 5% in currency neutral.
- Inventory-to-sales spread was -281bps, vs 1157bps in FY4Q25, which suggested a good inventory digestion progress toward a healthy marketplace by the end of FY1H26.

Exhibit 1: Nike – FY1Q26 results summary

US\$m	Nike					CRe	
	FY1Q25	FY4Q25	FY1Q26	QoQ	YoY	FY1Q26	Delta
Total revenues	11,589.0	11,097.0	11,720.0	6%	1%	10,870.9	8%
Cost of goods sold	6,332.0	6,628.0	6,777.0	2%	7%	6,347.3	7%
Gross profit	5,257.0	4,469.0	4,943.0	11%	-6%	4,523.6	9%
Demand creation expense	1,226.0	1,253.0	1,188.0	-5%	-3%	1,258.7	-6%
Operating overhead expense	2,822.0	2,895.0	2,828.0	-2%	0%	2,810.2	1%
Total operating expenses	4,048.0	4,148.0	4,016.0	-3%	-1%	4,068.9	-1%
Operating income	1,209.0	321.0	927.0	189%	-23%	454.7	104%
Other income (expense), net	55.0	-25.0	-23.0	-8%	-142%	-18.0	28%
EBIT	1,264.0	296.0	904.0	205%	-28%	436.7	107%
Interest income (expense), net	43.0	22.0	18.0	-18%	-58%	28.0	-36%
Profit before tax	1,307.0	318.0	922.0	190%	-29%	464.7	98%
Income tax expense	256.0	107.0	195.0	82%	-24%	90.6	115%
Net Income	1,051.0	211.0	727.0	245%	-31%	374.0	94%
Diluted EPS (USD)	0.70	0.14	0.49	244%	-30%	0.25	94%
Margins and Growth							
Revenue Growth (Reported)	-10.4%	-12.0%	1.1%	13.1ppts	11.6ppts	-6.2%	7ppts
FX Impact	-1.6%	-0.4%	1.6%	2.1ppts	3.2ppts	0.0%	2ppts
Revenue Growth (Constant Currency)	-9.0%	-11.6%	-0.5%	11.1ppts	8.5ppts	-6.2%	6ppts
Gross Margin	45.4%	40.3%	42.2%	1.9ppts	-3.2ppts	41.6%	1ppts
Demand creation expense/ revenue	10.6%	11.3%	10.1%	-1.2ppts	-0.4ppts	11.6%	-1ppts
Operating overhead expense/ revenue	24.4%	26.1%	24.1%	-2.0ppts	-0.2ppts	25.9%	-2ppts
EBIT Margin	10.9%	2.7%	7.7%	5.0ppts	-3.2ppts	4.0%	4ppts
Tax rate	19.6%	33.6%	21.1%	-12.5ppts	1.6ppts	19.5%	2ppts
Net Margin	9.1%	1.9%	6.2%	4.3ppts	-2.9ppts	3.4%	3ppts
ROA (%)	11.1%	2.3%	7.8%	5.5ppts	-3.3ppts	4.3%	4ppts
ROE (%)	30.1%	6.2%	21.6%	15.4ppts	-8.6ppts	11.8%	10ppts
Inventory growth	-5.1%	-0.4%	-1.7%	-1.3ppts	3.4ppts	-7.0%	5ppts
Nike Brand's Product Revenue Growth YoY							
Footwear	-11.4%	-12.8%	-0.7%	12.1ppts	10.7ppts	-7.0%	6ppts
Apparel	-10.5%	-9.7%	9.3%	18.9ppts	19.8ppts	-5.4%	15ppts
Equipment	13.6%	-1.9%	4.5%	6.4ppts	-9.1ppts	3.2%	1ppts
Nike Brand	-10.1%	-11.4%	2.3%	13.7ppts	12.3ppts	-6.0%	8ppts
Converse Brand	-14.8%	-25.6%	-26.9%	-1.3ppts	-12.2ppts	-15.0%	-12ppts
Nike Brand's Regional Revenue Growth YoY							
North America	-11.0%	-10.9%	4.0%	14.9ppts	15.0ppts	-5.9%	10ppts
EMEA	-12.9%	-8.9%	6.0%	14.9ppts	18.9ppts	-4.2%	10ppts
Greater China	-4.0%	-20.8%	-9.2%	11.5ppts	-5.3ppts	-13.2%	4ppts
APLA	-7.0%	-7.6%	1.9%	9.5ppts	8.9ppts	-2.2%	4ppts

Source: Company data, CRS HK estimates

Estimate revisions

We raise our FY26E/ 27E/ 28E net income forecast by 1.3%/ 2.9%/ 8.2%, helped by higher revenue forecasts by 2.4% amid the recovery of sports segment and wholesale channel, offsetting lower gross margin estimate by 40-50bps in FY26-27E amid tariff impacts. We forecast Nike's net profit to grow at 30.5% CAGR over 2026E-28E.

Exhibit 2: Nike – 2026E-28E earnings estimate revisions

US\$m	New			Old			Change (%)		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Total revenues	46,876.7	49,169.7	51,585.8	45,791.2	48,016.9	50,371.9	2.4%	2.4%	2.4%
Cost of goods sold	27,392.5	28,302.3	29,177.2	26,592.9	27,405.3	28,497.6	3.0%	3.3%	2.4%
Gross profit	19,484.1	20,867.5	22,408.6	19,198.3	20,611.6	21,874.4	1.5%	1.2%	2.4%
Demand creation expense	4,940.7	5,010.3	5,399.9	4,962.3	5,036.6	5,424.1	-0.4%	-0.5%	-0.4%
Operating overhead expense	11,490.5	11,636.8	11,950.7	11,355.2	11,502.0	11,814.2	1.2%	1.2%	1.2%
Total operating expenses	16,431.2	16,647.1	17,350.6	16,317.5	16,538.6	17,238.3	0.7%	0.7%	0.7%
Operating income	3,052.9	4,220.4	5,058.0	2,880.7	4,073.0	4,636.1	6.0%	3.6%	9.1%
Other income (expense), net	-27.0	32.0	32.0	6.0	32.0	32.0	-550.0%	0.0%	0.0%
EBIT	3,025.9	4,252.4	5,090.0	2,886.7	4,105.0	4,668.1	4.8%	3.6%	9.0%
Interest income (expense), net	62.0	96.0	96.0	100.0	96.0	96.0	-38.0%	0.0%	0.0%
Profit before tax	3,087.9	4,348.4	5,186.0	2,986.7	4,201.0	4,764.1	3.4%	3.5%	8.9%
Income tax expense	653.1	869.7	1,037.2	582.4	819.2	929.0	12.1%	6.2%	11.6%
Net income	2,434.8	3,478.7	4,148.8	2,404.3	3,381.8	3,835.1	1.3%	2.9%	8.2%
Diluted EPS (USD)	1.66	2.39	2.85	1.64	2.34	2.65	0.8%	2.4%	7.6%
Margins and Growth									
Revenue Growth (Reported)	1.2%	4.9%	4.9%	-1.1%	4.9%	4.9%	2.3%	0.0%	0.0%
FX Impact	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%
Revenue Growth (Constant Currency)	0.7%	4.9%	4.9%	-1.1%	4.9%	4.9%	1.8%	0.0%	0.0%
Gross Margin	41.6%	42.4%	43.4%	41.9%	42.9%	43.4%	-0.4%	-0.5%	0.0%
Demand creation expense/ revenue	10.5%	10.2%	10.5%	10.8%	10.5%	10.8%	-0.3%	-0.3%	-0.3%
Operating overhead expense/ revenue	24.5%	23.7%	23.2%	24.8%	24.0%	23.5%	-0.3%	-0.3%	-0.3%
EBIT Margin	6.5%	8.6%	9.9%	6.3%	8.5%	9.3%	0.2%	0.1%	0.6%
Tax rate	21.1%	20.0%	20.0%	19.5%	19.5%	19.5%	1.6%	0.5%	0.5%
Net Margin	5.2%	7.1%	8.0%	5.3%	7.0%	7.6%	-0.1%	0.0%	0.4%
ROA (%)	6.8%	9.7%	11.0%	6.7%	9.3%	10.1%	0.1%	0.4%	0.9%
ROE (%)	19.0%	26.2%	27.2%	19.1%	26.5%	26.4%	-0.1%	-0.3%	0.8%
Inventory growth	0.1%	3.3%	3.3%	0.3%	3.2%	4.2%	-0.2%	0.1%	-0.8%
Product Revenue Growth YoY									
Footwear	0.1%	4.8%	4.9%	-1.5%	4.8%	4.8%	1.6%	0.0%	0.0%
Apparel	5.1%	5.2%	5.2%	-0.8%	5.2%	5.3%	5.8%	0.0%	0.0%
Equipment	3.0%	5.0%	5.0%	3.2%	5.0%	5.0%	-0.2%	0.0%	0.0%
Nike Brand	1.7%	5.0%	5.0%	-1.1%	5.0%	5.0%	2.8%	0.0%	0.0%
Converse	-16.3%	2.0%	3.0%	-8.2%	2.0%	3.0%	-8.1%	0.0%	0.0%
Nike Brand's Regional Revenue Growth YoY									
North America	2.8%	5.0%	5.0%	-1.2%	5.0%	5.0%	3.9%	0.0%	0.0%
EMEA	2.6%	5.0%	5.0%	-0.5%	5.0%	5.0%	3.1%	0.0%	0.0%
Greater China	-3.6%	3.3%	3.3%	-4.2%	3.3%	3.3%	0.6%	0.0%	0.0%
APLA	2.2%	6.5%	6.5%	1.4%	6.5%	6.5%	0.8%	0.0%	0.0%

Note: APLA region is Asia Pacific and Latin America.

Source: CRSHK estimates

Valuation

Maintain HOLD and raise target price to US\$75.30. Following our earnings forecast revisions, we raise our target price to US\$75.30 from US\$72.90, based on 31.5x FY27E P/E (unchanged), benchmarking Nike's 12-month forward average P/E over the past three years, considering both Nike's long-term market-leading position and its likely profitability recovery in FY27E from the bottom in FY26E. We are positive on Nike's running and wholesale performance which showed early positive signs of its "Win Now" actions, although its near-term profit might be still challenging amid the US tariff. We will keep an eye on its new launch of NikeSKIMS and see if any strong-selling products would hit the market to drive its business back to a modest growth trajectory. Maintain HOLD.

Exhibit 3: Nike – valuation summary

Net income - 2027E (US\$mn)	3,479						
Target P/E multiple (x)	31.5						
Total valuation (US\$mn)	109,579						
Number of diluted ADS (mn)	1,455						
Target price (US\$)	75.30						

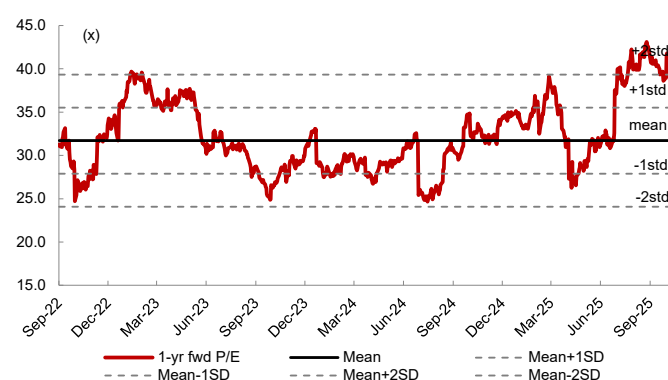
	Current price	Upside
	69.09	9%

	2021	2022	2023	2024	2025	2026E	2027E
Revenue (US\$mn)	44,538	46,710	51,217	51,362	46,309	46,877	49,170
Net income (US\$mn)	5,727	6,046	5,070	5,700	3,219	2,435	3,479
Book value (US\$ mn)	12,767	15,281	14,004	14,430	13,213	12,441	14,125
Number of diluted shares (mn)	1,609	1,611	1,570	1,530	1,488	1,469	1,455
REV/shares (US\$)	27.7	29.0	32.6	33.6	31.1	31.9	33.8
EPS (US\$)	3.56	3.75	3.23	3.73	2.16	1.66	2.39
BVPS (US\$)	7.9	9.5	8.9	9.4	8.9	8.5	9.7
Trading P/S (x)	2.5	2.4	2.1	2.1	2.2	2.2	2.0
Trading P/E (x)	19.4	18.4	21.4	18.5	31.9	41.7	28.9
Trading P/B (x)	8.7	7.3	7.7	7.3	7.8	8.2	7.1
Implied P/S (x)	2.7	2.6	2.3	2.2	2.4	2.4	2.2
Implied P/E (x)	21.2	20.1	23.3	20.2	34.8	45.4	31.5
Implied P/B (x)	9.5	7.9	8.4	8.0	8.5	8.9	7.8

Price as of Oct 8, 2025 close.

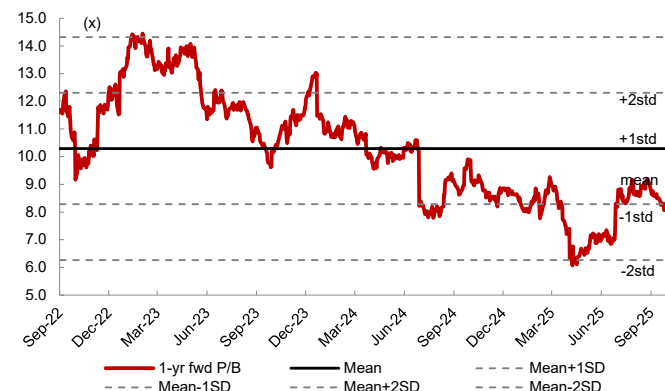
Source: Company data, CRSHK estimates

Exhibit 4: Nike – 12-month forward P/E bands



Source: Bloomberg, CRSHK estimates

Exhibit 5: Nike – 12-month forward P/B bands



Source: Bloomberg, CRSHK estimates

Risks

Upside risks to our target price include:

- **Stronger consumer spending recovery in North America and Greater China:** North America accounted for the largest revenue contribution for Nike at 42.3% in FY25, and Greater China is a proven growth driver with a revenue CAGR of 11.2% over FY14-24. Any faster-than-expected improvement in consumer spending in both regions could have a positive impact on Nike's top line, exceeding our forecasts.
- **Faster gross margin expansion driven by better pricing and channel mix:** If Nike's inventory adjustment progresses faster than we expect, and its product mix improves on a greater contribution from new products, Nike's gross margin would likely expand, helped by the contribution from full-priced products and the better channel mix.
- **Easing competition landscape:** If Nike introduces new and innovative footwear and apparel products to increase its competitiveness, the recovery of sell-through could lead to market share gains that would boost its top line.
- **Lower-than-expected demand creation expenses:** While management targets to bring its demand creation expense ratio back to the 10% range, we note any better-than-expected sales would likely lead to operating efficiency and result in earnings upside.

Downside risks to our target price include:

- **A consumer spending slowdown globally:** A pullback in consumer spending amid declining consumer confidence could have a negative impact on the consumer discretionary sector, and Nike's sales could come under pressure.
- **Gross margin risks from larger-than-expected discounts:** Nike may need to offer higher discounts to clear inventory if its sell-through rate is weaker than expected, which could further squeeze its gross margin.
- **Intense competition:** Increasing competition from new entrants and existing players would bring more pressure on Nike's sales and may lead to further market share loss in various verticals, which could hurt its revenue.
- **Global sourcing and supply chain disruptions:** The potential tariff threat from the US may cause supply chain disruptions to Nike and bring gross margin pressure.

Financials

Year to May 31

Income Statement

(US\$mn)	2025A	2026E	2027E	2028E
Footwear	29,510	29,547	30,978	32,481
Apparel	12,965	13,622	14,335	15,087
Equipment	2,191	2,256	2,369	2,487
Other sales	1,643	1,451	1,488	1,531
Sales	46,309	46,877	49,170	51,586
Cost of Goods Sold	(26,519)	(27,393)	(28,302)	(29,177)
Gross Profit	19,790	19,484	20,867	22,409
SG&A (incl. R&D)	(16,088)	(16,431)	(16,647)	(17,351)
thereof Sales & Marketing expense	(4,689)	(4,941)	(5,010)	(5,400)
thereof Admin expense	(11,399)	(11,491)	(11,637)	(11,951)
EBIT	3,778	3,026	4,252	5,090
EBITDA	4,553	3,788	5,024	5,873
Net interest income	107	62	96	96
Net interest expense	0	0	0	0
Pretax profit	3,885	3,088	4,348	5,186
Income Tax	(666)	(653)	(870)	(1,037)
Reported net income	3,219	2,435	3,479	4,149
EPS (reported) (US\$)	2.16	1.66	2.39	2.85

Balance Sheet

(US\$mn)	2025A	2026E	2027E	2028E
Current assets	23,362	21,348	23,060	25,395
Cash & equivalents	9,151	7,221	8,452	10,285
Account receivables	4,717	4,380	4,613	4,858
Inventories	7,489	7,500	7,748	8,005
Other current assets	2,005	2,247	2,247	2,247
Non-current assets	13,217	13,487	13,556	13,626
PPE	4,828	4,912	4,981	5,051
Intangible assets	259	259	259	259
Goodwill	240	240	240	240
Other non-current assets	2,712	2,727	2,727	2,727
Total assets	36,579	34,835	36,616	39,022
Total Current Liabilities	10,566	9,439	9,536	9,636
ST interest bearing debt	507	510	510	510
Unearned revenue	0	0	0	0
Accounts Payable	3,479	2,300	2,397	2,497
LT interest bearing debt	7,961	7,996	7,996	7,996
Other Liabilities	2,550	2,555	2,555	2,555
Total Liabilities	23,366	22,394	22,491	22,591
Common Stock/Ordinary Capital	3	3	3	3
Share Premium	0	0	0	0
Retained Earnings	1,884	1,961	2,893	4,409
Shareholders Equity	13,213	12,441	14,125	16,431
Minority Interest	0	0	0	0
Total Liabilities & Sh. Equity	36,579	34,835	36,616	39,022

Cash Flow

(US\$mn)	2025A	2026E	2027E	2028E
Reported net income	3,219	2,435	3,479	4,149
Depreciation & amortization	775	762	772	783
Net interest (income) / expenses	0	0	0	0
Other non-cash items (+/-)	709	717	753	789
Others (+/-)	(218)	17	0	0
Change in Working Capital	(787)	(1,173)	(384)	(403)
Cash Flow from operations	3,698	2,758	4,619	5,319
Capex	(430)	(830)	(841)	(853)
Acquisitions & Investments	(3,234)	(355)	0	0
Disposal of Fixed Assets & Invest	3,381	503	0	0
Other Investing Activities	8	0	0	0
Net Cash Flow from Investments	(275)	(682)	(841)	(853)
Dividends paid	(2,300)	(2,358)	(2,547)	(2,633)
Change in Debt	(1)	(1)	0	0
Equity raised / (purchased)	(2,434)	(1,499)	0	0
Other Financial Activities	(1,085)	(7)	0	0
Net Cash Flow from Financing	(5,820)	(3,865)	(2,547)	(2,633)
Net Cash Flow	(2,396)	(1,794)	1,231	1,833
Free Cash Flow	3,268	1,928	3,778	4,466

Key Assumptions

	2025A	2026E	2027E	2028E
North America sales growth (%)	(8.5)	2.8	5.0	5.0
EMEA sales growth (%)	(9.9)	2.6	5.0	5.0
GC sales growth (%)	(12.7)	(3.6)	3.3	3.3
APLA sales growth (%)	(7.1)	2.2	6.5	6.5
Converse sales growth (%)	(18.7)	(16.3)	2.0	3.0

Financial Ratios

	2025A	2026E	2027E	2028E
YoY (%)				
Revenue	(9.8)	1.2	4.9	4.9
Gross Profit	(13.5)	(1.5)	7.1	7.4
EBITDA	(37.8)	(16.8)	32.6	16.9
Net Profit	(43.5)	(24.4)	42.9	19.3
EPS	(41.9)	(23.4)	44.3	19.3
Profitability (%)				
Gross Margin	42.7	41.6	42.4	43.4
EBITDA Margin	9.8	8.1	10.2	11.4
EBIT Margin	8.2	6.5	8.6	9.9
Net Margin	7.0	5.2	7.1	8.0
ROE	24.4	19.6	24.6	25.2
ROA	8.8	7.0	9.5	10.6
Liquidity (x)				
Current ratio	2.2	2.3	2.4	2.6
Quick ratio	1.5	1.5	1.6	1.8
Valuation Ratios (x)				
P/E	34.7	41.7	28.9	24.2
P/B	8.5	8.2	7.1	6.1
P/S	2.2	2.1	2.0	1.9

Note: Historical valuation ratios calculated on yearly average price.

Source: Company data, CRSHK estimates

Appendix A

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Hold	46	24%	0	0%
Sell	2	1%	0	0%

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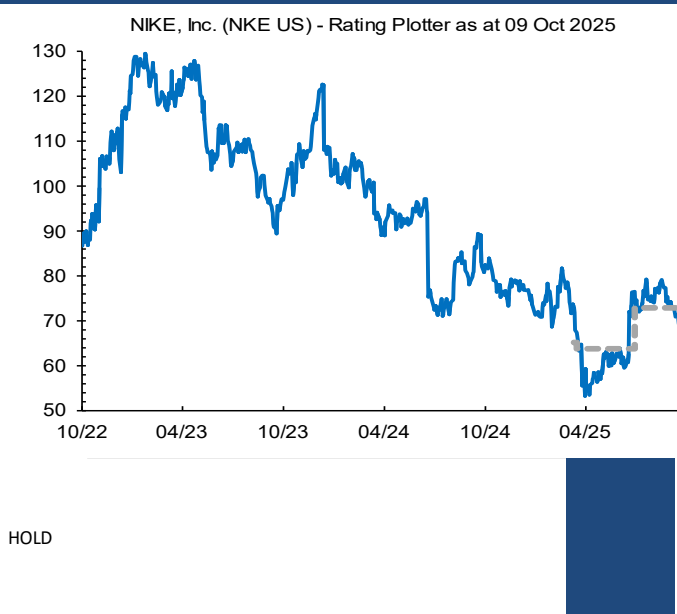
Underweight – Expect sector to underperform the relevant market.

Stocks Mentioned (Stock Code / Date / Price / Rating)

NIKE, Inc. (NKE US, Oct 8, 2025, US\$69.09, HOLD)

History of investment rating and target price – NIKE, Inc.

Date	CP (US\$)	TP (US\$)	Rating
07-Jul-25	76.53	72.90	Hold
24-Mar-25	67.39	63.80	Hold
19-Mar-25	72.99	65.20	Hold



Valuation and Risks - NIKE, Inc. (NKE US)

Valuation: Our target price of US\$75.30 is based on 31.5x FY27E P/E.

Risks: Key risks: Upside – 1) Stronger consumer spending recovery in North America and Greater China; 2) faster gross margin expansion driven by pricing and channel mix; 3) easing competition landscape; and 4) lower-than-expected demand creation expenses. Downside – 1) Slower consumer spending growth globally; 2) gross margin risks from larger discounts; 3) intense competition; and 4) global sourcing and supply chain disruptions.

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