

Nike, Inc.

## FY1Q26 Review: One Step Closer...

NKE's FY1Q26 beat across the board as sales and GM came in better, and SG&A came in materially better vs. consensus. We note a positive inventory inflection, but pressure in GC and APLA and demand uncertainty keep us sidelined. We expect FY26 consensus EPS estimates to be revised at least 10% lower.

**One Step Closer...** NKE's quarterly results were largely as we had expected, with FY1Q26 results materially beating expectations, but almost fully offset by a reduction in FY2Q26 guidance due to ongoing liquidation and corrective measures in Greater China and APLA. The NA market has made significant progress in cleaning up the marketplace, while EMEA is the furthest along in resetting the digital channel as a full-price channel. As we also expected, FY2H26 sales are expected to be tempered as NKE anniversaries reset actions, restocking in value channels, liquidation at third-party channels, and work towards a pull market in the wholesale marketplace. NKE has "moderated" its full-year outlook due to three main factors: 1) the impact of incremental tariffs, 2) traffic weakness in international markets, particularly Greater China and APLA, and 3) the uncertainty of demand elasticity in the U.S. market as we head into calendar 2026. Despite a positive inflection in the sales-to-inventory growth spread this quarter - which we deem to be a leading indicator of gross margin stabilization - the uncertainty of the macro environment keeps us temporarily sidelined. Having said that, we believe the shares are largely rangebound, rather than having material downside risk. We have a cautious view of the U.S. consumer as we enter CY2026 as we expect broadscale price increases across the consumer discretionary goods landscape. While we are encouraged by the progress in the North American region, we expect continued purging of global inventory will put downward pressure on estimate revisions post quarter. As such, we believe the shares lack a catalyst to materially propel them higher until there is greater visibility on brand recovery and an operating margin inflection. In reaction in the aftermarket, NKE shares traded +4% versus S&P 500 flat.

**Remain Equal Weight, but outlook more constructive for shares.** We remain Equal Weight rated but believe the outlook is becoming more constructive as we believe the worst is behind Nike and that each successive downward revision gets it closer to the bottom. We believe the shares have limited downside as management is clearly taking the right "textbook" recovery steps to stabilize margins and return to profitable growth. However, we look for evidence that margins and earnings have bottomed and NKE is entering a period of sustained "beat-and-raise" financial performance. We had previously stated that we would look to become more constructive on the shares if: 1) we were to see a positive sales-to-inventory growth spread and 2) consensus estimates are sufficiently low with NKE's "Win Now" strategy delivering sales and margin results to the upside. With our first criteria met as FY1Q26 was a positive sales-to-

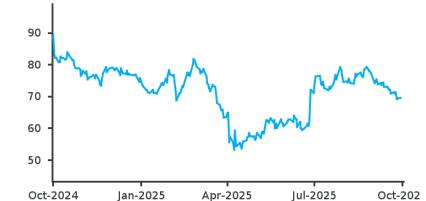
Barclays Capital Inc. and/or one of its affiliates does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Please see analyst certifications and important disclosures beginning on page 17.

Completed: 01-Oct-25, 03:19 GMT   Released: 01-Oct-25, 03:21 GMT   Restricted - External

NKE	<b>EQUAL WEIGHT</b>
	Unchanged
U.S. Specialty Retail, Apparel & Footwear	<b>NEUTRAL</b>
	Unchanged
Price Target	<b>USD 70.00</b>
	raised 8% from USD 65.00
Price (30-Sep-25)	<b>USD 69.73</b>
Potential Upside/Downside	<b>+0.4%</b>
Source: Bloomberg, Barclays Research	
Market Cap (USD mn)	<b>102984</b>
Shares Outstanding (mn)	<b>1476.90</b>
Free Float (%)	<b>98.69</b>
52 Wk Avg Daily Volume (mn)	<b>15.0</b>
Dividend Yield (%)	<b>2.29</b>
Return on Equity TTM (%)	<b>23.29</b>
Current BVPS (USD)	<b>8.95</b>
Source: Bloomberg	

Price Performance      **Exchange-NYSE**  
52 Week range      **USD 89.75-52.28**



Source: IDC  
[Link to Barclays Live for interactive charting](#)

**U.S. Specialty Retail, Apparel & Footwear**

**Adrienne Yih**

+1 212 526 5257

adrienne.yih@barclays.com

BCI, US

**Paul Kearney**

+1 212 526 1964

paul.kearney@barclays.com

BCI, US

Michael Vu

+1 212 526 9568

michael.vu@barclays.com

BCI, US

inventory inflection, we remain cautious given management's comments about GC and APLA still needing to see channel and margin reset as demand has worsened sequentially since last quarter.

**Tariff Exposure Update.** Based on the new reciprocal tariff rates, NKE raised its expected impact from tariffs on an annualized gross incremental cost basis to approx. \$1.5bn (up from \$1.0bn). The company expects the net headwind to GM to increase to 120bps (from 75bps) for FY26, with a 175bps impact to FY2Q26. The company continues to expect to mitigate these new costs over time. Please see section [Tariff Exposure](#) for more details.

**Quarter in review.** NKE reported FY1Q26 EPS of \$0.49 (vs. consensus/Barclays of \$0.28/\$0.35), as its SG&A rate materially beat at 34.3% of sales (vs. cons. 37.1%) due to lower demand creation expense and a top-line beat. GM of 42.2% came in ahead (vs. cons. 41.7%), as the company beat its prior GM expectation range of down 325bps to down 425bps, which consensus was in-line with combined with the beat on sales. Revenue of \$11.72bn beat consensus of \$11.02bn, driven by Nike brand footwear sales of \$7.41bn (vs. cons. \$7.02bn), Nike brand apparel sales of \$3.31bn (vs. cons. \$2.93bn), and Nike brand equipment sales of \$630mn (vs. cons. \$595mn). By region, revenue upside was led by North America (+4.0% y/y ex-FX vs. cons. -5.2%), EMEA (+1.0% y/y ex-FX vs. cons. -4.8%), and APLA (+1.0% y/y ex-FX vs. cons. -2.1%), partially offset by Greater China (-10.0% y/y ex-FX vs. cons. -13.5%). The company provided guidance for FY2Q26, calling for sales to be down LSD (vs. cons. -2.9%), GM to decline -300bps to -375bps, including ~175bps negative tariff impact (vs. cons. -220bps), and SG&A dollars to be up +HSD (vs. cons. +1.1%). Management continues to expect FY26 SG&A dollars to be up +LSD (vs. cons. +1.0%).

**Positive sales-to-inventory inflection.** Based on our proprietary inventory analysis, NKE has posted one quarter of positive sales-to-inventory growth. In FY1Q26 the Inventory Management Spread ("IM Spread") was 220 basis points and improved from (1055) in the prior quarter. NKE's Gross Margin Return on Inventory ("GMROI") has worsened for five consecutive quarters, and its Operating Margin Return on Inventory ("OMROI") has worsened for five consecutive quarters.

**Lowering estimates but raising multiple and PT to \$70 (was \$65).** Our FY26, FY27, and FY28 adj. EPS estimates are \$1.35, \$2.19, and \$2.65, respectively, down from \$1.59, \$2.27, and \$2.72, driven by lower GM. Our PT of \$70 (from \$65) is based on 29x (was 26x) applied to our CY27 EPS estimate of \$2.43 (from \$2.50). We raise our multiple 3 turns due to a positive sales to inventory inflection supporting GM improvement.

## CONTENTS

Proprietary PRISM Curve: NKE Fundamentals Are Bottoming .....	6
Tariff Exposure .....	8
Summary Results .....	11
Inventory Management Spread, GMROI, and OMROI .....	12
Variance Table .....	13
Model Changes .....	14
Income Statement .....	15
Three Scenarios for Different Investing Styles .....	16

**NKE: Quarterly and Annual EPS (USD)**

<b>FY May</b>	<b>2025</b>	<b>2026</b>			<b>2027</b>			<b>Change y/y</b>	
	<b>Actual</b>	<b>Old</b>	<b>New</b>	<b>Cons</b>	<b>Old</b>	<b>New</b>	<b>Cons</b>	<b>2026</b>	<b>2027</b>
Q1	0.70A	0.35E	0.49A	0.28E	0.50E	0.71E	0.49E	-30%	45%
Q2	0.78A	0.46E	0.30E	0.50E	0.65E	0.52E	0.72E	-62%	73%
Q3	0.54A	0.45E	0.33E	0.50E	0.61E	0.53E	0.69E	-39%	61%
Q4	0.14A	0.34E	0.23E	0.37E	0.51E	0.43E	0.54E	64%	87%
Year	2.16A	1.59E	1.35E	1.67E	2.27E	2.19E	2.47E	-38%	62%
P/E	32.2		51.5			31.8			

Consensus numbers are from Bloomberg received on 30-Sep-2025; 12:50 GMT

Source: Barclays Research

U.S. Specialty Retail, Apparel & Footwear						NEUTRAL
Nike, Inc. (NKE)						EQUAL WEIGHT
Income statement (\$mn)	2025A	2026E	2027E	2028E	CAGR	Price (30-Sep-2025) USD 69.73
Revenue	46,309	46,450	47,918	50,475	2.9%	Price Target USD 70.00
EBITDA (adj)	4,477	3,337	4,650	5,528	7.3%	<b>Why EQUAL WEIGHT?</b>
EBIT (adj)	3,702	2,559	3,847	4,683	8.2%	Our rating is based on 1) better wholesale performance as the company re-focuses on the channel, 2) the potential for new innovation to drive a return to growth, and 3) efficiencies from the cost savings plan, offset by 1) slower global sneaker consumption, 2) China softness, and 3) franchise management.
Pre-tax income (adj)	3,885	2,543	3,970	4,805	7.3%	
Net income (adj)	3,219	2,008	3,255	3,940	7.0%	
EPS (adj) (\$)	2.16	1.35	2.19	2.65	6.9%	
Diluted shares (mn)	1,488	1,483	1,486	1,489	0.0%	
DPS (\$)	1.57	1.72	1.88	2.04	9.1%	
Margin and return data	2025A	2026E	2027E	2028E	Average	<b>Upside case</b> USD 86.00
EBITDA (adj) margin (%)	9.7	7.2	9.7	11.0	9.4	
EBIT (adj) margin (%)	8.0	5.5	8.0	9.3	7.7	
Pre-tax (adj) margin (%)	8.4	5.5	8.3	9.5	7.9	
Net (adj) margin (%)	7.0	4.3	6.8	7.8	6.5	
ROIC (%)	14.9	12.0	15.4	17.1	14.9	
ROA (%)	8.6	5.5	8.7	10.2	8.3	
ROE (%)	23.3	15.1	23.5	26.0	22.0	
Balance sheet and cash flow (\$mn)	2025A	2026E	2027E	2028E	CAGR	<b>Downside case</b> USD 61.00
Tangible fixed assets	7,540	7,301	7,218	7,129	-1.8%	
Cash and equivalents	9,151	8,936	9,962	11,194	6.9%	
Total assets	36,579	36,688	37,749	39,416	2.5%	
Short and long-term debt	11,018	11,061	11,061	11,061	0.1%	
Other long-term liabilities	2,289	2,404	2,404	2,404	1.6%	
Total liabilities	23,366	23,371	23,360	23,474	0.2%	
Net debt/(funds)	502	615	-411	-1,643	N/A	
Shareholders' equity	13,213	13,317	14,389	15,941	6.5%	
Change in working capital	-1,993	330	1,156	1,641	N/A	
Cash flow from operations	3,698	2,984	4,661	5,150	11.7%	
Capital expenditure	-422	-423	-719	-757	N/A	
Free cash flow	2,273	1,864	2,993	3,379	14.1%	
Valuation and leverage metrics	2025A	2026E	2027E	2028E	Average	<b>Upside/Downside scenarios</b>
P/E (adj) (x)	32.2	51.5	31.8	26.4	35.5	Price History Prior 12 months High 89.75 Current 69.73 Low 52.28
EV/sales (x)	2.2	2.2	2.1	2.0	2.2	Price Target Next 12 months Upside 86.00 Target 70.00 Downside 61.00
EV/EBITDA (adj) (x)	23.1	31.1	22.1	18.4	23.7	
FCF yield (%)	2.2	1.8	2.9	3.3	2.6	
P/BV (x)	7.9	7.8	7.2	6.5	7.3	
Dividend yield (%)	2.3	2.5	2.7	2.9	2.6	
Total debt/capital (%)	37.6	37.5	35.7	33.4	36.1	
Selected operating metrics	2025A	2026E	2027E	2028E	Average	
Sales growth (%)	-9.8	0.3	3.2	5.3	-0.3	
Inventory growth (%)	-0.4	3.7	-0.3	3.5	1.6	
Organic const ccy rev growth (%)	-9.1	-1.3	3.1	5.3	-0.5	

Note: FY End May

Source: Company data, Bloomberg, Barclays Research

## Proprietary PRISM Curve: NKE Fundamentals Are Bottoming

From a fundamental perspective, we attempt to use our proprietary PRISM cycle as a leading indicator of a potential sales inflection (i.e., either from positive to negative or negative to positive). Our PRISM Curve attempts to look for fundamental changes in the business model of a company, driven by proactive management decisions to stabilize margins (e.g., purge inventory, cut costs, share best practices, invest in product and brand). [Figure 1](#) and [Figure 2](#) below depict our model graphically and identify where we would theoretically expect to see sales and margin changes along the business model curve.

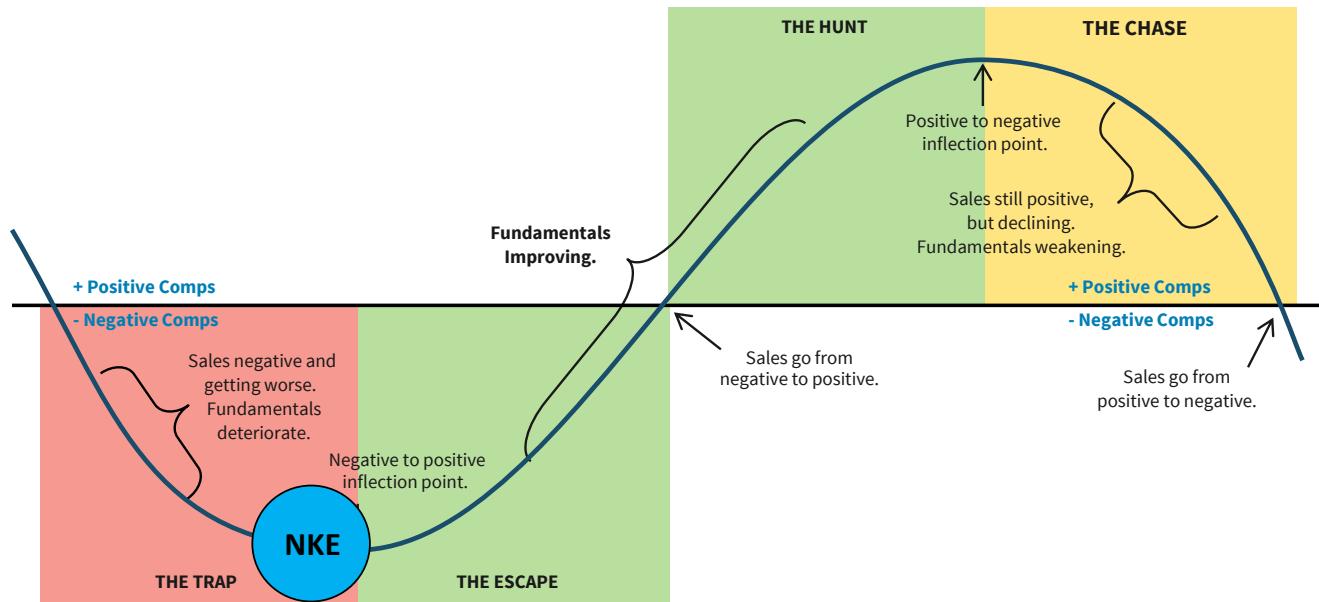
### The TRAP Phase

While there are four distinct phases of our PRISM Curve as per the graphics below, we believe NKE is in the latter stage of the “TRAP” phase, where fundamentals are deteriorating as competition in all categories remains stiff and pricing power is fleeting for its core franchises. As market share erodes, the lack of sales is causing operating deleverage. During the TRAP phase, management’s strategy is on the defensive – meaning actions are being taken to change business trends, but the issues have not yet stabilized.

### The ESCAPE Phase

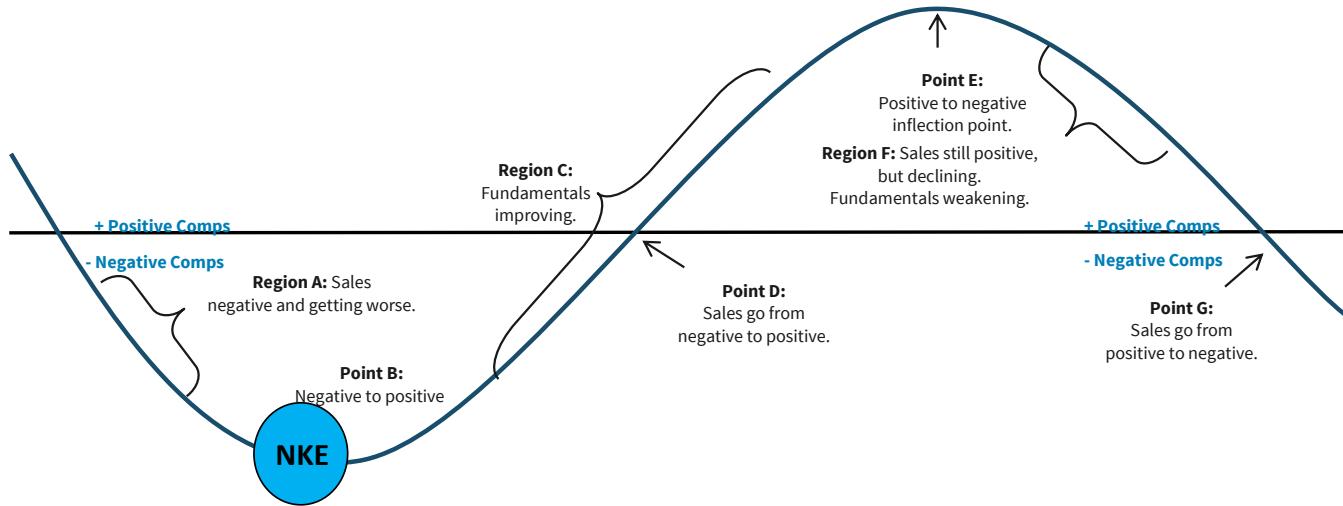
We look for evidence that NKE will transition into the ESCAPE phase in FY2H26 in which issues have been identified and are being proactively corrected. At some point, a company’s management makes the changes necessary to correct problems at the business, and the company passes the negative-to-positive inflection point. During the ESCAPE phase, management’s strategy is on the offense. They are actively taking measures to stem losses and stabilize market share. They are focused on driving full-price, healthy sales and likely will have ratcheted back inventory; they are less focused on their competitors’ actions or the environment around them. Typically, a company will move past this point by driving comps with better merchandising and improved inventory management (growing inventory below sales plan). At this point, a company is not yet showing direct signs that fundamentals are currently improving; instead, it is showing signs that fundamentals are stabilizing and are becoming “less bad.” Management is willing to make difficult strategic decisions, and fundamentals are likely to begin improving in the near future. As the company moves further to the right, it is continuing to comp negatively, but less so, and begins to show marginal signs of improvement. *During the ESCAPE phase, we typically see a margin recovery before we see a return to sustainable positive sales growth.*

**FIGURE 1. Phases of PRISM Curve Fundamental Analysis: NKE One Step Closer to Recovery**



Source: Barclays Research

**FIGURE 2. Phases of PRISM Curve Fundamental Analysis: NKE One Step Closer to Recovery**



Source: Barclays Research

## Tariff Exposure

Reach out to request our proprietary Tariff QuikCalc model [here](#).

**Tariff Exposure Update.** Based on the new reciprocal tariff rates, NKE raised its expected impact from tariffs on an annualized gross incremental cost basis to approx. \$1.5bn (up from \$1.0bn). The company expects the net headwind to GM to increase to 120bps (from 75bps) for FY26, with a 175bps impact to FY2Q26. The company continues to expect to mitigate these new costs over time.

**Prior tariff commentary.** On the FY4Q25 call, NKE stated, "*Currently, China represents roughly 16% of the footwear we import into the United States. And we expect this to reduce to the high single-digit range by the end of fiscal '26, with supply from China reallocated to other countries around the world.*" Management estimates FY26 unmitigated tariff expense at the current 30% China/10% rest of world to be \$1b with a net impact of ~100 bps to FY1Q26 and ~75 bps to FY26. Additionally, over time the company expects to be able to fully mitigate the \$1b impact through several mitigation strategies, including: 1) optimizing its sourcing mix and allocating production differently across countries; 2) partnering with suppliers and retail partners to mitigate structural cost increases; 3) price increases in the U.S. (beginning fall 2025); and 4) corporate cost reductions. Recall, based on its FY24 annual filings "for fiscal 2024, factories in Vietnam, Indonesia, and China manufactured approximately 50%, 27% and 18% of total NIKE Brand footwear ([Figure 4](#)), respectively. For fiscal 2024, factories in Vietnam, China, and Cambodia manufactured approximately 28%, 16% and 15% of total NIKE Brand apparel ([Figure 5](#)), respectively."

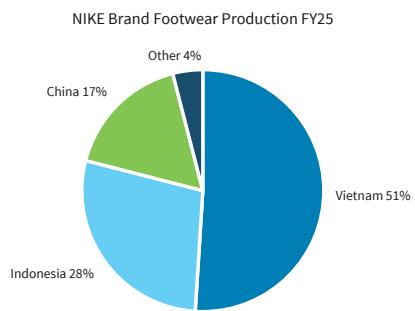
**Barclays Tariff "QuikCalc" Model assumptions. We update our Tariff "QuikCalc" model analysis, which now assumes global tariff assumptions effective 8/7/25, resulting in an incremental ~\$500m in gross tariff impact to FY26.** Our prior tariff analysis assumed 30% China and 10% Rest of World (excluding Mexico and Canada). Note our estimate of Tariff on Goods Imported to the US is a gross unmitigated amount for a full year, and we calculate the price increase necessary to mitigate full tariff cost (absent other mitigation strategies). Our updated tariff calculator under 8/7/25 effective rates suggests that for NKE total average unit cost will increase by 8.3% with pass-through to the US market only increasing prices by 7.9% (see [Figure 3](#)).

**FIGURE 3. NKE Estimated Tariff Impact on P&L - For Illustrative Purposes Only**

	FY 2026E (5)		NO AUR INCREASE (1)		AUR INCREASE ANALYSIS (1)		
	NKE ex Tariff	% of Net Sales	NKE with Tariff	% of Net Sales	NKE with Tariff	% of Net Sales	AUR Increase
<b>Net Sales (6)</b>	\$45,753.2	100.0%	\$45,753.2	100.0%	\$47,336.7	100.0%	3.5%
U.S. Revenues	20,039.9	43.8%	20,039.9	43.8%	21,623.4	45.7%	7.9%
Non-U.S. Revenues	25,713.3	56.2%	25,713.3	56.2%	25,713.3	54.3%	0.0%
<b>EBIT (6)</b>	3,504.0	7.7%	1,920.4	4.2%	3,504.0	7.4%	
U.S. EBIT	1,534.7	7.7%	-48.8	-0.2%	1,534.7	7.1%	
Non-U.S. EBIT	1,969.2	7.7%	1,969.2	7.7%	1,969.2	7.7%	
<b>COS (2) (6)</b>	25,997.2	56.8%	27,580.7	60.3%	27,580.7	58.3%	6.1%
U.S. COS	11,386.8		12,970.3		12,970.3		13.9%
Non-U.S. COS	14,610.4		14,610.4		14,610.4		0.0%
Tariff on U.S. Goods	0.0	0.0%	1,583.5	3.5%	1,583.5	3.3%	
<b>Gross Profit (6)</b>	19,756.0	43.2%	18,172.5	39.7%	19,756.0	41.7%	
U.S. Gross Profit	8,653.1		7,069.6		8,653.1		
Non-U.S. Gross Profit	11,102.9		11,102.9		11,102.9		
<b>COS Breakdown</b>							
Non-Product COS, Incl ROD (3) % of Sales	15.0%				15.0%	15.0%	
Non-Product COS, Incl ROD (3) \$	6,862.98	15.0%			6,862.98	15.0%	14.5%
U.S. Non-Product COS (3)	3,005.98	15.0%			3,005.98	15.0%	13.9%
Non-U.S. Non-Product COS	3,856.99	15.0%			3,856.99	15.0%	
<b>Product COS \$</b>	19,134.2	41.8%					
U.S. Product COS \$	8,380.8	41.8%					
Non-U.S. Product COS \$	10,753.4						
<b>Product Gross Profit \$</b>	26,619.0	58.2%					
U.S. Product GP \$	11,659.1	58.2%					
Non-U.S. Product GP \$	14,959.9	58.2%					
<b>Product Gross Margin %</b>	58.2%						
U.S. Product GM %	58.2%						
Non-U.S. Product GM %	58.2%						
<b>Percent Sourced Outside the US (%)</b>	100%						
U.S. Product from Outside the US (COS \$)	8,380.8						
Non-U.S. Product from Outside the US (COS \$)	10,753.4						
<b>Incrmt'l Tariff on Goods Imported to U.S. (%)</b>	18.9%						
<b>Tariff on Goods Imported to U.S. (\$)</b>	1,583.5						
<b>Percent Increase to Product AUC (4)</b>	8.3%						
<b>Bps impact on Margins</b>	346						

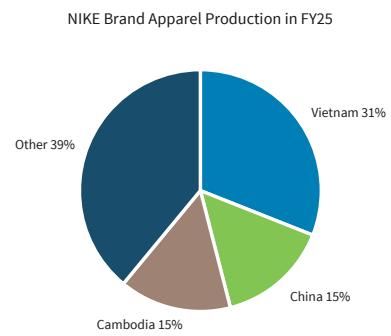
Note: (1) AUR stands for Average Unit Retail. (2) COS stands for Cost of Sales. (3) ROD stands for Rent Occupancy Depreciation. (4) AUC stands for Average Unit Cost. (5) Fiscal Year End May and using forward estimate. (6) Bloomberg consensus forward estimate as of 4/1/25.  
Source: Company filings, Company commentary, Barclays Research, Bloomberg

**FIGURE 4. NIKE Brand Footwear Production in FY25**



Note: FY25 is 12 months ending 5/31/25  
Source: Company Filings, Barclays Research

**FIGURE 5. NIKE Brand Apparel Production in FY25**



Note: FY25 is 12 months ending 5/31/25  
Source: Company Filings, Barclays Research

## Summary Results

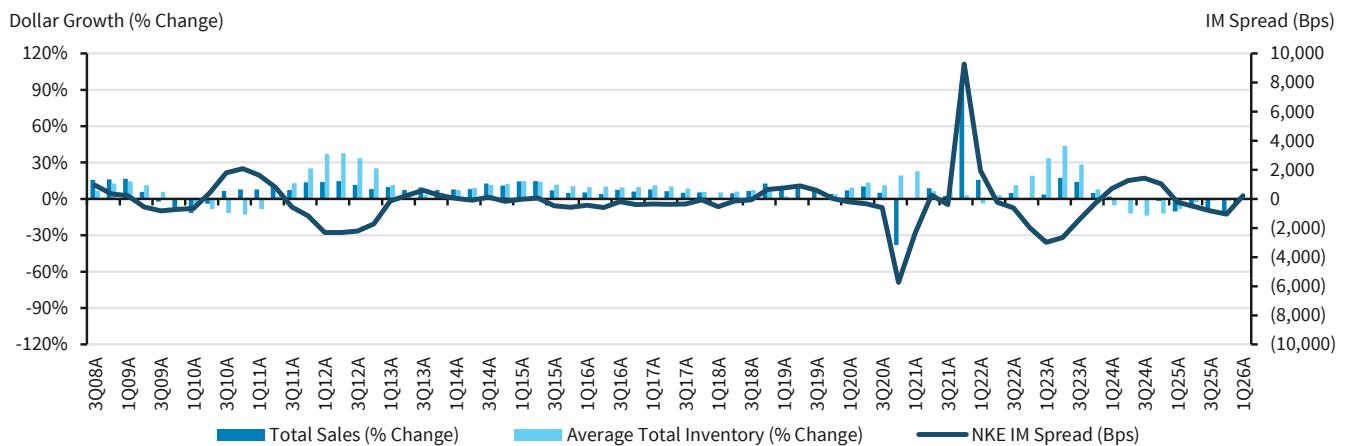
**FIGURE 6. Retail Earnings Quality Score (in \$ millions, except per share data)**

1Q26	Barclays	Consensus	LY	Actual	Act vs Barclays	Act vs Cons	Act vs LY	REQ Score	REQ Score Max Points
Sales (\$)	\$11,193.8	\$11,020.0	\$11,589.0	\$11,720.0	\$526.2	\$700.0	\$131.0	1	1
Sales Growth (%)	-3.4%	-4.9%	-10.4%	1.1%	4.5%	6.0%	11.6%	2	2
Gross Margin (%)	41.6%	41.7%	45.4%	42.2%	0.6%	0.5%	-3.2%	2	2
Operating Expense (%)	36.4%	37.1%	34.9%	34.3%	-2.2%	-2.9%	-0.7%	1	1
Operating Income (\$)	\$580.1	\$500.0	\$1,209.0	\$927.0	\$346.9	\$427.0	(\$282.0)	NA	NA
Operating Margin (%)	5.2%	4.5%	10.4%	7.9%	2.7%	3.4%	-2.5%	NA	NA
Tax Rate (%)	19.0%	NA	19.6%	21.1%	2.1%	NA	1.6%	NA	NA
FD Shares (M)	1485.1	NA	1502.0	1479.0	-6.0	NA	-23.0	1	1
EPS (\$)	\$0.35	\$0.28	\$0.70	\$0.49	\$0.15	\$0.21	-\$0.21	1	1
Positive IM Spread	NA	NA	NA	220.2	NA	NA	NA	1	1
Increasing OMROI	NA	NA	NA	-7.2%	NA	NA	NA	0	1
<b>RETAIL EARNINGS QUALITY SCORE</b>								<b>9</b>	<b>10</b>

Source: Company Filings, Barclays Research

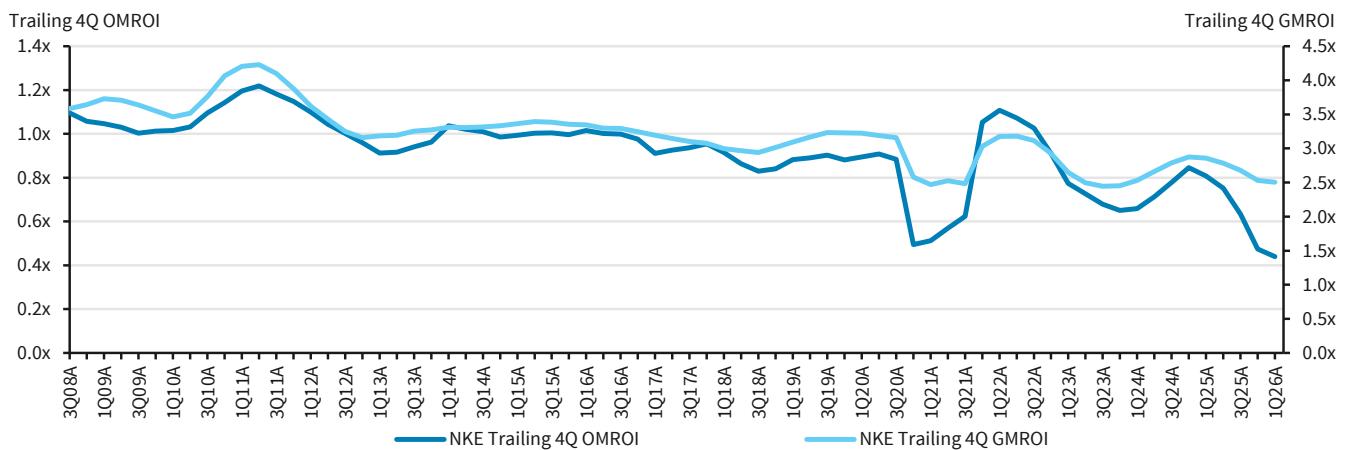
## Inventory Management Spread, GMROI, and OMROI

FIGURE 7. Historical Change in Total Sales Vs. Average Inventory (IM Spread), FY3Q08A - Present



Source: Company data, Barclays Research

FIGURE 8. Historical GMROI/OMROI Analysis, FY3Q08A - Present



Source: Company data, Barclays Research

## Variance Table

FIGURE 9. Variance (in \$ millions, except per share data)

	Last Year 1Q25A	Actual 1Q26A	Estimates 1Q26E	Δ Actual - Est.		Last Year 1Q25A	Actual 1Q26A	Estimates 1Q26E	Δ Actual - Est.
<b>Adjusted P&amp;L</b>									
Total Revenue	\$11,589.0	\$11,720.0	\$11,193.8	4.7%	Footwear	\$7,462.0	\$7,410.0	\$7,128.8	3.9%
Adj. COGs	6,332.0	6,777.0	6,535.8	3.7%	Apparel	3,032.0	3,313.0	2,961.4	11.9%
Gross Profit	5,257.0	4,943.0	4,658.0	6.1%	Total Footwear and Apparel	10,494.0	10,723.0	10,090.2	6.3%
Demand Creation Expense	1,226.0	1,188.0	1,296.1	-8.3%	Equipment	603.0	630.0	617.1	2.1%
Operating Overhead Expense	2,822.0	2,828.0	2,781.7	1.7%	Global Brand Division	14.0	9.0	14.8	-39.4%
Operating income	1,209.0	927.0	580.1	59.8%	Total Nike Brand Revenue	11,111.0	11,362.0	10,722.1	6.0%
Other Expense	-55.0	23.0	-10.0	-330.0%	Converse	501.0	366.0	470.7	-22.2%
EBIT	1,264.0	904.0	590.1	53.2%	Corporate	-23.0	-8.0	1.0	-900.0%
Net Interest Expense (Income)	-43.0	-18.0	-42.8	-58.0%	Total Nike Inc. Revenue	\$11,589.0	\$11,720.0	\$11,193.8	4.7%
EBT	1,307.0	922.0	632.9	45.7%					
Income taxes (adjusted)	256.0	195.0	120.3	62.2%	<b>North America</b>				
Adj Net Income	\$1,051.0	\$727.0	\$512.7	41.8%	Footwear	\$3,212.0	\$3,219.0	\$3,051.4	5.5%
EPS (Adj., diluted)	\$0.70	\$0.49	\$0.35	42.4%	Apparel	1,331.0	1,474.0	1,277.8	15.4%
EPS (GAAP, diluted)	\$0.70	\$0.49	\$0.35	42.4%	Total Footwear and Apparel	4,543.0	4,693.0	4,329.2	8.4%
Average Diluted Shares Out	1,502.0	1,479.0	1,485.1	-0.4%	Equipment	283.0	327.0	285.8	14.4%
<b>Y/Y Growth</b>									
Sales Growth (%)	-10.4%	1.1%	-3.4%		Total	\$4,826.0	\$5,020.0	\$4,615.0	8.8%
Sales Growth (%) (CC)	-9.1%	-0.7%	-4.0%	<b>EMEA</b>					
Gross Profit (%)	-8.1%	-6.0%	-11.4%	Footwear	\$1,952.0	\$2,021.0	\$1,893.4	6.7%	
Demand Creation Expense (%)	14.7%	-3.1%	5.7%	Apparel	993.0	1,106.0	983.1	12.5%	
Operating Overhead Expense (%)	-7.4%	0.2%	-1.4%	Total Footwear and Apparel	2,945.0	3,127.0	2,876.5	8.7%	
Op. Expenses (%)	-1.7%	-0.8%	0.7%	Equipment	198.0	204.0	202.0	1.0%	
Operating Income (%)	-24.6%	-23.3%	-52.0%	Total	\$3,143.0	\$3,331.0	\$3,078.5	8.2%	
EBIT Income (%)	-21.7%	-28.5%	-53.3%	<b>Greater China</b>					
Net Income (%)	-27.5%	-30.8%	-51.2%	Footwear	\$1,246.0	\$1,109.0	\$1,121.4	-1.1%	
EPS (%)	-25.5%	-29.8%	-50.7%	Apparel	360.0	362.0	345.6	4.7%	
<b>% of Sales</b>									
Gross Margin (%)	45.4%	42.2%	41.6%	Total Footwear and Apparel	1,606.0	1,471.0	1,467.0	0.3%	
Demand Creation Expense (%)	10.6%	10.1%	11.6%	Equipment	60.0	41.0	64.8	-36.7%	
Operating Overhead Expense (%)	24.4%	24.1%	24.9%	Total	\$1,666.0	\$1,512.0	\$1,531.8	-1.3%	
Op. Expense Rate (%)	34.9%	34.3%	36.4%	<b>APAC &amp; Latam</b>					
Operating Margin (%)	10.4%	7.9%	5.2%	Footwear	\$1,052.0	\$1,061.0	\$1,062.5	-0.1%	
Other Expense (%)	-0.5%	0.2%	-0.1%	Apparel	348.0	371.0	355.0	4.5%	
EBIT Margin (%)	10.9%	7.7%	5.3%	Total Footwear and Apparel	1,400.0	1,432.0	1,417.5	1.0%	
Tax Rate (%)	19.6%	21.1%	19.0%	Equipment	62.0	58.0	64.5	-10.0%	
<b>Y/Y Change in Margin</b>									
Gross Margin (bps)	1.15%	-3.19%	-3.75%	Total	\$1,462.0	\$1,490.0	\$1,482.0	0.5%	
Demand Creation Expense (bps)	2.32%	-0.44%	1.00%	<b>Converse</b>					
Operating Overhead Expense (bps)	0.80%	-0.22%	0.50%	Footwear	\$436.0	\$318.5	\$405.5		
Op. Expense Rate (bps)	3.12%	-0.66%	1.50%	Apparel	17.0	12.4	15.8		
Operating Income (bps)	-1.96%	-2.52%	-5.25%	Total Footwear and Apparel	453.0	330.9	421.3		
Other Expense (bps)	-0.40%	0.67%	0.39%	Equipment	12.0	8.8	12.4		
EBIT Margin (bps)	-1.57%	-3.19%	-5.64%	Other	36.0	26.3	37.1		
<b>Geography Organic Growth Y/Y</b>									
North America	-11%	4%	-4%	Total	\$501.0	\$366.0	\$470.7	-22.2%	
EMEA	-11%	0%	-3%	<b>Segment Organic Growth Y/Y</b>					
Greater China	-3%	-10%	-9%	Footwear	-10%	-3%	-5%		
APAC & Latam	-2%	1%	0%	Apparel	-9%	7%	-3%		
Total Nike Inc. Revenue	-14%	-1%	-4%	Total Footwear and Apparel	-10%	0%	-4%		
				Equipment	15%	3%	2%		
				Global Brand Division	20%	-39%	5%		
				Total Nike Brand Revenue	-9%	0%	-4%		
				Converse	-14%	-28%	-7%		
				Total Nike Inc. Revenue	-9%	-1%	-4%		

Source: Company Filings, Barclays Research

## Model Changes

**FIGURE 10. Model Changes (in \$ millions, except per share data)**

(\$mm, except per share)	New						Old						Consensus												
	1Q26E	2Q26E	3Q26E	4Q26E	FY26E	FY27E	FY28E	1Q26E	2Q26E	3Q26E	4Q26E	FY26E	FY27E	FY28E	1Q26E	2Q26E	3Q26E	4Q26E	FY26E	FY27E	FY28E				
North America Revenue	\$5,020	\$4,910	\$4,809	\$4,707	\$19,445	\$19,953	\$20,951	\$4,615	\$4,887	\$4,819	\$4,607	\$18,929	\$19,079	\$20,033	\$4,587	\$4,982	\$4,867	\$4,858	\$19,284	\$20,248	\$21,360				
EMEA Revenue	3,331	3,359	2,970	3,170	12,830	13,218	13,746	3,078	3,278	2,911	3,107	12,375	12,692	13,199	3,097	3,311	2,992	3,183	12,590	13,346	14,180				
Greater China Revenue	1,512	1,552	1,653	1,405	6,123	6,350	6,907	1,532	1,608	1,664	1,430	6,234	6,449	6,980	1,438	1,532	1,650	1,461	6,089	6,335	6,659				
APAC/Latam Revenue	1,490	1,784	1,552	1,659	6,484	6,812	7,221	1,482	1,772	1,508	1,632	6,395	6,709	7,111	1,421	1,728	1,523	1,648	6,350	6,763	7,133				
Converse	366	401	404	356	1,527	1,534	1,595	471	403	391	361	1,626	1,631	1,663	456	398	403	367	1,623	1,678	1,761				
Other Revenue	1	15	14	11	41	52	55	16	15	14	11	55	57	60	na										
Total Revenue	\$11,720	\$12,021	\$11,402	\$11,308	\$46,450	\$47,918	\$50,475	\$11,194	\$11,964	\$11,307	\$11,149	\$45,613	\$46,617	\$49,048	\$11,020	\$12,009	\$11,494	\$11,578	\$45,955	\$48,501	\$51,111				
Adj Gross Profit	4,943	4,883	4,616	4,554	18,996	20,553	22,154	4,658	4,860	4,747	4,657	18,922	20,242	21,788	4,592	4,968	4,862	4,903	19,255	21,116	22,631				
Operating Expenses	4,016	4,318	3,990	4,114	16,437	16,706	17,471	4,078	4,058	3,957	4,056	16,146	16,258	16,983	4,092	4,050	3,947	4,218	16,267	16,784	17,679				
Adj. Operating income	927	565	626	440	2,559	3,847	4,683	580	802	791	601	2,774	3,984	4,805	500	918	915	684	2,988	4,331	4,952				
Adj Net Income	\$727	\$438	\$495	\$348	\$2,008	\$3,255	\$3,940	\$513	\$677	\$663	\$513	\$2,366	\$3,387	\$4,060	\$419	\$745	\$745	\$551	\$2,444	\$3,589	\$4,375				
EPS (adjusted, diluted)	\$0.49	\$0.30	\$0.33	\$0.23	\$1.35	\$2.19	\$2.65	\$0.35	\$0.46	\$0.45	\$0.34	\$1.59	\$2.27	\$2.72	\$0.28	\$0.50	\$0.50	\$0.37	\$1.67	\$2.48	\$3.03				
Gross Margin	42.2%	40.6%	40.5%	40.3%	40.9%	42.9%	43.9%	41.6%	40.6%	42.0%	41.8%	41.5%	43.4%	44.4%	41.7%	41.4%	42.3%	42.3%	41.9%	43.5%	44.3%				
Operating Expenses % of Sales	34.3%	35.9%	35.0%	36.4%	35.4%	34.9%	34.6%	36.4%	33.9%	35.0%	36.4%	35.4%	34.9%	34.6%	37.1%	33.7%	34.3%	36.4%	35.4%	34.6%	34.6%				
Operating Margin	7.9%	4.7%	5.5%	3.9%	5.5%	8.0%	9.3%	5.2%	6.7%	7.0%	5.4%	6.1%	8.5%	9.8%	4.5%	7.6%	8.0%	5.9%	6.5%	8.9%	9.7%				
<b>New vs. Old</b>																									
<b>New vs. Consensus</b>																									
(% Change)																									
North America Revenue								9%	0%	0%	2%	3%	5%	5%	9%	-1%	-1%	-3%	1%	-1%	-2%				
EMEA Revenue								8%	2%	2%	2%	4%	4%	4%	8%	1%	-1%	0%	2%	-1%	-3%				
Greater China Revenue								-1%	-3%	-1%	-2%	-2%	-2%	-1%	5%	1%	0%	-4%	1%	0%	4%				
APAC/Latam Revenue								1%	1%	3%	2%	1%	2%	2%	5%	3%	2%	1%	2%	1%	1%				
Converse								-22%	0%	3%	-1%	-6%	-6%	-4%	-20%	1%	0%	-3%	-6%	-9%	-9%				
Other Revenue								-94%	1%	3%	1%	-26%	-9%	-9%	na										
Total Revenue								5%	0%	1%	1%	2%	3%	3%	6%	0%	-1%	-2%	1%	-1%	-1%				
Adj Gross Profit								6%	0%	-3%	-2%	0%	2%	2%	8%	-2%	-5%	-7%	-1%	-3%	-2%				
Operating Expenses								-2%	6%	1%	1%	2%	3%	3%	-2%	7%	1%	-2%	1%	0%	-1%				
Adj. Operating income								60%	-30%	-21%	-27%	-8%	-3%	-3%	85%	-38%	-32%	-36%	-14%	-11%	-5%				
Adj Net Income								42%	-35%	-25%	-32%	-15%	-4%	-3%	73%	-41%	-34%	-37%	-18%	-9%	-10%				
EPS (adjusted, diluted)								42%	-35%	-25%	-32%	-15%	-4%	-3%	76%	-41%	-33%	-37%	-19%	-12%	-13%				
Gross Margin								0.56%	0.00%	-1.50%	-1.50%	-0.59%	-0.53%	-0.53%	0.50%	-0.74%	-1.82%	-2.07%	-1.00%	-0.64%	-0.39%				
Operating Expenses % of Sales								-2.16%	2.00%	0.00%	0.00%	-0.02%	-0.01%	-0.01%	-2.87%	2.19%	0.65%	-0.05%	-0.01%	0.26%	0.02%				
Operating Margin								2.73%	-2.00%	-1.50%	-1.50%	-0.57%	-0.52%	-0.52%	3.37%	-2.94%	-2.47%	-2.02%	-0.99%	-0.90%	-0.41%				

Source: Company Filings, Bloomberg, Barclays Research

# Income Statement

FIGURE 11. Income Statement (in \$ millions, except per share data)

(\\$ mm, except per share)	FY24A	1Q25A	2Q25A	3Q25A	4Q25A	FY25A	1Q26A	2Q26E	3Q26E	4Q26E	FY26E	1Q27E	2Q27E	3Q27E	4Q27E	FY27E	FY28E
	May-24	Aug-24	Nov-24	Feb-25	May-25	May-25	Aug-25	Nov-25	Feb-26	May-26	May-26	Aug-26	Nov-26	Feb-27	May-27	May-27	May-28
<b>Income Statement</b>																	
Revenue	51,362.0	11,589.0	12,354.0	11,269.0	11,097.0	46,309.0	11,720.0	12,020.8	11,401.9	11,307.7	46,450.5	11,996.3	12,426.6	11,798.0	11,697.5	47,918.4	50,474.8
COGS	28,412.0	6,332.0	6,965.0	6,594.0	6,628.0	26,519.0	6,777.0	7,137.8	6,785.8	6,753.9	27,454.4	6,696.8	7,130.2	6,785.6	6,752.7	27,365.3	28,320.7
Adj. Gross Profit	22,950.0	5,257.0	5,389.0	4,675.0	4,469.0	19,790.0	4,943.0	4,883.0	4,616.1	4,553.9	18,996.0	5,299.4	5,296.4	5,012.4	4,944.8	20,553.1	22,154.1
Adj. Demand Creation Expense	4,285.0	1,226.0	1,122.0	1,088.0	1,253.0	4,689.0	1,188.0	1,362.2	1,157.8	1,163.7	4,871.8	1,216.0	1,408.2	1,198.1	1,203.8	5,026.1	5,294.3
Adj. Operating Overhead Expense	11,912.0	2,822.0	2,883.0	2,799.0	2,895.0	11,399.0	2,828.0	2,955.5	2,832.0	2,950.0	11,565.5	2,822.7	2,980.7	2,883.2	2,993.2	11,679.8	12,176.8
Adj. Operating Expenses	16,197.0	4,048.0	4,005.0	3,887.0	4,148.0	16,088.0	4,016.0	4,317.7	3,989.9	4,113.7	16,437.3	4,038.7	4,388.9	4,081.3	4,197.0	16,705.9	17,471.1
Adj. Operating Income	6,753.0	1,209.0	1,384.0	788.0	321.0	3,702.0	927.0	565.3	626.3	440.2	2,558.8	1,260.8	907.5	931.2	747.8	3,847.2	4,683.0
Other Expense (Income)	(228.0)	(55.0)	(8.0)	(38.0)	25.0	(76.0)	23.0	35.0	18.0	22.0	98.0	(10.0)	(10.0)	(10.0)	(40.0)		
Adj. EBIT	6,981.0	1,264.0	1,392.0	826.0	296.0	3,778.0	904.0	530.3	608.3	418.2	2,460.8	1,270.8	917.5	941.2	757.8	3,887.2	4,723.0
Net Interest Expense (Income)	(161.0)	(43.0)	(24.0)	(18.0)	(22.0)	(107.0)	(18.0)	(24.1)	(18.1)	(22.1)	(82.3)	(18.0)	(24.1)	(18.1)	(22.1)	(82.3)	
Adj. EBT	7,142.0	1,307.0	1,416.0	844.0	318.0	3,885.0	922.0	554.4	626.4	440.3	2,543.0	1,288.8	941.6	959.3	779.9	3,969.5	4,805.3
Adj. Income Taxes	1,097.6	256.0	253.0	50.0	107.0	666.0	195.0	116.4	131.5	92.5	535.4	232.0	169.5	172.7	140.4	714.5	865.0
Adj. Net Income	6,044.4	1,051.0	1,163.0	794.0	211.0	3,219.0	727.0	438.0	494.8	347.8	2,007.6	1,056.8	772.1	786.6	639.5	3,255.0	3,940.3
Adj. EPS	\$3.95	\$0.70	\$0.78	\$0.54	\$0.14	\$2.16	\$0.49	\$0.30	\$0.33	\$0.23	\$1.35	\$0.71	\$0.52	\$0.53	\$0.43	\$2.19	\$2.65
GAAP EPS	\$3.73	\$0.70	\$0.78	\$0.54	\$0.14	\$2.16	\$0.49	\$0.30	\$0.33	\$0.23	\$1.35	\$0.71	\$0.52	\$0.53	\$0.43	\$2.19	\$2.65
Avg. Diluted Shares	1,529.7	1,502.0	1,490.0	1,478.1	1,477.7	1,487.6	1,479.0	1,481.8	1,481.8	1,485.7	1,483.3	1,486.9	1,484.1	1,484.1	1,488.0	1,485.8	1,489.0
Dividends declared	\$1.45	\$0.37	\$0.40	\$0.40	\$0.40	\$1.57	\$0.40	\$0.44	\$0.44	\$0.44	\$1.72	\$0.44	\$0.48	\$0.48	\$0.48	\$1.88	\$2.04
<b>YOY % Change in Dollars</b>																	
Sales Growth (%)	0.3%	-10.4%	-7.7%	-9.3%	-12.0%	-9.8%	1.1%	-2.7%	1.2%	1.9%	0.3%	2.4%	3.4%	3.5%	3.4%	3.2%	5.3%
Sales Growth (%) (Constant Currency)	0.3%	-9.1%	-8.8%	-6.9%	-11.5%	-9.1%	-0.7%	-3.9%	-0.6%	0.3%	-1.3%	2.0%	3.4%	3.5%	3.4%	3.1%	5.3%
Gross Profit (%)	3.0%	-8.1%	-9.7%	-16.9%	-20.7%	-13.8%	-6.0%	-9.4%	-1.3%	1.9%	-4.0%	7.2%	8.5%	8.6%	8.6%	8.2%	7.8%
Demand Creation Expense (%)	5.5%	14.7%	0.7%	7.6%	14.8%	9.4%	-3.1%	21.4%	6.4%	-7.1%	3.9%	2.4%	3.4%	3.5%	3.4%	3.2%	5.3%
Operating Overhead Expense (%)	-3.3%	-7.4%	-4.9%	-2.6%	-2.1%	-4.3%	0.2%	2.5%	1.2%	1.9%	1.5%	-0.2%	0.9%	1.8%	1.5%	1.0%	4.3%
Op. Expenses (%)	-1.1%	-1.7%	-3.4%	0.0%	2.4%	-0.7%	-0.8%	7.8%	2.6%	-0.8%	2.2%	0.6%	1.6%	2.3%	2.0%	1.6%	4.6%
Operating Income (%)	14.2%	-24.6%	-24.2%	-54.7%	-79.7%	-45.2%	-23.3%	-59.2%	-20.5%	37.1%	-30.9%	36.0%	60.5%	48.7%	69.9%	50.4%	21.7%
EBIT Income (%)	12.7%	-21.7%	-26.7%	-52.9%	-82.7%	-45.9%	-28.5%	-61.9%	-26.4%	41.3%	-34.9%	40.6%	73.0%	54.7%	81.2%	58.0%	21.5%
EBT Income (%)	15.2%	-20.7%	-26.3%	-53.3%	-82.0%	-45.6%	-29.5%	-60.8%	-25.8%	38.5%	-34.5%	39.8%	69.8%	53.1%	77.1%	56.1%	21.1%
Adj. Net Income (%)	19.2%	-27.5%	-26.3%	-47.0%	-86.1%	-46.7%	-30.8%	-62.3%	-37.7%	64.8%	-37.6%	45.4%	76.3%	59.0%	83.9%	62.1%	21.1%
Adj. EPS (%)	24.3%	-25.5%	-24.2%	-45.3%	-85.9%	-45.2%	-29.8%	-62.1%	-37.8%	64.0%	-37.5%	44.6%	76.0%	58.7%	83.6%	61.9%	20.8%
<b>% of Sales Ratios</b>																	
Gross Margin (%)	44.7%	45.4%	43.6%	41.5%	40.3%	42.7%	42.2%	40.6%	40.5%	40.3%	40.9%	44.2%	42.6%	42.5%	42.3%	42.9%	43.9%
Demand Creation Expense (%)	8.3%	10.6%	9.1%	9.7%	11.3%	10.1%	10.1%	11.3%	10.2%	10.3%	10.5%	10.1%	11.3%	10.2%	10.3%	10.5%	10.5%
Operating Overhead Expense (%)	23.2%	24.4%	23.3%	24.8%	26.1%	24.6%	24.1%	24.6%	24.8%	26.1%	24.9%	23.5%	24.0%	24.4%	25.6%	24.4%	24.1%
Op. Expense Rate (%)	31.5%	34.9%	32.4%	34.5%	37.4%	34.7%	34.3%	35.9%	35.0%	36.4%	35.4%	33.7%	35.3%	34.6%	35.9%	34.9%	34.6%
Operating Margin (%)	13.1%	10.4%	11.2%	7.0%	2.9%	8.0%	7.9%	4.7%	5.5%	3.9%	5.5%	10.5%	7.3%	7.9%	6.4%	8.0%	9.3%
Other Expense (%)	-0.4%	-0.5%	-0.1%	-0.3%	0.2%	-0.2%	0.2%	0.3%	0.2%	0.2%	0.2%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
EBIT Margin (%)	13.6%	10.9%	11.3%	7.3%	2.7%	8.2%	7.7%	4.4%	5.3%	3.7%	5.3%	10.6%	7.4%	8.0%	6.5%	8.1%	9.4%
EBT Margin (%)	13.9%	11.3%	11.5%	7.5%	2.9%	8.4%	7.9%	4.6%	5.5%	3.9%	5.5%	10.7%	7.6%	8.1%	6.7%	8.3%	9.5%
Net Margin (%)	11.8%	9.1%	9.4%	7.0%	1.9%	7.0%	6.2%	3.6%	4.3%	3.1%	4.3%	8.8%	6.2%	6.7%	5.5%	6.8%	7.8%
Tax Rate (%)	15.4%	19.6%	17.9%	5.9%	33.6%	17.1%	21.1%	21.0%	21.0%	21.0%	21.1%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
<b>YOY Bps Change in Margin</b>																	
Gross Margin (bps)	1.16%	1.15%	-0.98%	-3.77%	-4.42%	-1.95%	-3.19%	-3.00%	-1.00%	0.00%	-1.84%	2.00%	2.00%	2.00%	2.00%	1.00%	
Demand Creation Expense (bps)	0.42%	2.32%	0.76%	1.52%	2.64%	1.78%	-0.44%	2.25%	0.50%	-1.00%	0.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Overhead Expense (bps)	-0.86%	0.80%	0.69%	1.71%	2.62%	1.42%	-0.22%	1.25%	0.00%	0.00%	0.28%	-0.60%	-0.60%	-0.40%	-0.50%	-0.52%	-0.25%
Op. Expense Rate (bps)	-0.44%	3.12%	1.45%	3.23%	5.26%	3.21%	-0.66%	3.50%	0.50%	-1.00%	0.65%	-0.60%	-0.60%	-0.40%	-0.50%	-0.52%	-0.25%
Operating Income (bps)	1.60%	-1.96%	-2.43%	-7.00%	-9.68%	-5.15%	-2.52%	-6.50%	-1.50%	1.00%	-2.49%	2.60%	2.60%	2.40%	2.50%	2.52%	1.25%
Other Expense (bps)	0.10%	-0.40%	0.50%	-0.21%	1.23%	0.28%	0.67%	0.36%	0.50%	-0.03%	0.38%	-0.28%	-0.37%	-0.24%	-0.28%	-0.29%	0.00%
EBIT Margin (bps)	1.50%	-1.57%	-2.92%	-6.79%	-10.91%	-5.43%	-3.19%	-6.86%	-2.00%	1.03%	-2.86%	2.88%	2.97%	2.64%	2.78%	2.81%	1.24%
EBT Margin (bps)	1.80%	-1.46%	-2.89%	-7.05%	-11.14%	-5.52%	-3.41%	-6.85%	-2.00%	1.03%	-2.91%	2.88%	2.97%	2.64%	2.77%	2.81%	1.24%
Net Margin (bps)	1.87%	-2.14%	-2.37%	-5.01%	-10.14%	-4.82%	-2.87%	-5.77%	-2.71%	1.17%	-2.63%	2.61%	2.57%	2.33%	2.39%	2.47%	1.01%
Tax Rate (bps)	-2.87%	7.57%	-0.03%	-11.14%	19.64%	1.78%	1.56%	3.13%	15.08%	-12.65%	3.91%	-3.15%	-3.00%	-3.00%	-3.00%	-3.05%	0.00%

Fiscal Year End May

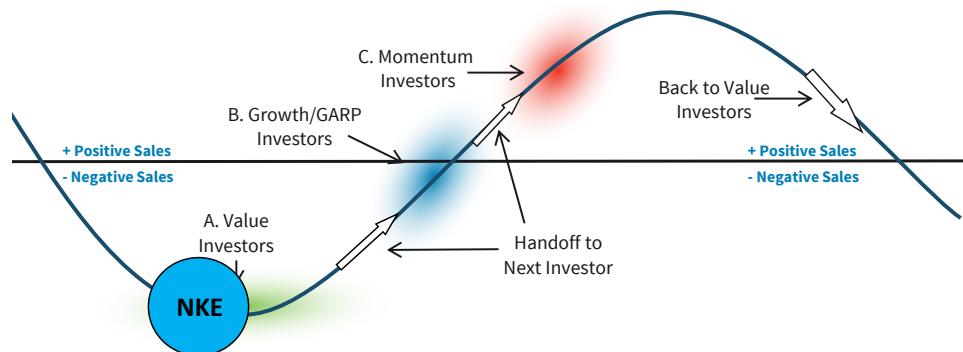
Source: Company Filings, Barclays Research

## Three Scenarios for Different Investing Styles

For long-horizon investors it may be tempting to "buy on each dip of the stock," but for those who have a shorter horizon and are more nimble, we choose to look for signs of successful outcomes before getting more positive. We remain Equal Weight rated, as we believe the worst is behind Nike and that each successive downward revision gets it closer to the bottom.

1. **Value Investors:** Based on our PRISM cycle, value investors tend to be more tolerant of ongoing downward estimate revisions so long as each successive revision is "less bad" than the prior and the company is making progress on sales and margin initiatives. In this part of the cycle, there is little visibility on margin expansion, but the valuation multiple is expanding as investors expect the worst to be behind.
2. **GARP/Growth Investors:** Investors in this camp are seeking top-line growth or a visible path to a return to positive sales growth. This often occurs at the end of the Rebase year where there is tangible evidence of product recovery in the marketplace.
3. **Momentum Investors:** Investors here look for sales to have factually returned to positive sales growth in combination with margin expansion and the likelihood of "beat and raise" quarters is fairly well established. A stock will have reached its full valuation multiple, so investors are largely playing for earnings beats.

**FIGURE 12. PRISM Curve Implications for Investing Styles**



Source: Barclays Research

**Analyst(s) Certification(s):**

I, Adrienne Yih, hereby certify (1) that the views expressed in this research report accurately reflect my personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

**Important Disclosures:**

Barclays Research is produced by the Investment Bank of Barclays Bank PLC and its affiliates (collectively and each individually, "Barclays"). All authors contributing to this research report are Research Analysts unless otherwise indicated. The publication date at the top of the report reflects the local time where the report was produced and may differ from the release date provided in GMT.

**Availability of Disclosures:**

Where any companies are the subject of this research report, for current important disclosures regarding those companies please refer to <https://publicresearch.barclays.com> or alternatively send a written request to: Barclays Research Compliance, 745 Seventh Avenue, 13th Floor, New York, NY 10019 or call +1-212-526-1072.

The analysts responsible for preparing this research report have received compensation based upon various factors including the firm's total revenues, a portion of which is generated by investment banking activities, the profitability and revenues of the Markets business and the potential interest of the firm's investing clients in research with respect to the asset class covered by the analyst.

Research analysts employed outside the US by affiliates of Barclays Capital Inc. are not registered/qualified as research analysts with FINRA. Such non-US research analysts may not be associated persons of Barclays Capital Inc., which is a FINRA member, and therefore may not be subject to FINRA Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst's account.

Analysts regularly conduct site visits to view the material operations of covered companies, but Barclays policy prohibits them from accepting payment or reimbursement by any covered company of their travel expenses for such visits.

Barclays Research Department produces various types of research including, but not limited to, fundamental analysis, equity-linked analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of Barclays Research may differ from those contained in other types of Barclays Research, whether as a result of differing time horizons, methodologies, or otherwise.

In order to access Barclays Statement regarding Research Dissemination Policies and Procedures, please refer to <https://publicresearch.barclays.com/S/RD.htm>. In order to access Barclays Research Conflict Management Policy Statement, please refer to: <https://publicresearch.barclays.com/S/CM.htm>.

**Primary Stocks (Ticker, Date, Price)**

**Nike, Inc.** (NKE, 30-Sep-2025, USD 69.73), Equal Weight/Neutral, CD/CE/D/E/J/K/L/M/N

Unless otherwise indicated, prices are sourced from Bloomberg and reflect the closing price in the relevant trading market, which may not be the last available closing price at the time of publication.

**Disclosure Legend:**

**A:** Barclays Bank PLC and/or an affiliate has been lead manager or co-lead manager of a publicly disclosed offer of securities of the issuer in the previous 12 months.

**B:** An employee or non-executive director of Barclays PLC is a director of this issuer.

**CD:** Barclays Bank PLC and/or an affiliate is a market-maker in debt securities issued by this issuer.

**CE:** Barclays Bank PLC and/or an affiliate is a market-maker in equity securities issued by this issuer.

**CH:** Barclays Bank PLC and/or its group companies makes, or will make, a market in the securities (as defined under paragraph 16.2 (k) of the HK SFC Code of Conduct) in respect of this issuer.

**D:** Barclays Bank PLC and/or an affiliate has received compensation for investment banking services from this issuer in the past 12 months.

**E:** Barclays Bank PLC and/or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer within the next 3 months.

**FA:** Barclays Bank PLC and/or an affiliate beneficially owns 1% or more of a class of equity securities of this issuer, as calculated in accordance with US regulations.

**FB:** Barclays Bank PLC and/or an affiliate beneficially owns a long position of more than 0.5% of a class of equity securities of this issuer, as calculated in accordance with EU regulations.

**FC:** Barclays Bank PLC and/or an affiliate beneficially owns a short position of more than 0.5% of a class of equity securities of this issuer, as calculated in accordance with EU regulations.

**FD:** Barclays Bank PLC and/or an affiliate beneficially owns 1% or more of a class of equity securities of this issuer, as calculated in accordance with South Korean regulations.

**FE:** Barclays Bank PLC and/or its group companies has financial interests in relation to this issuer and such interests aggregate to an amount equal to or more than 1% of this issuer's market capitalization, as calculated in accordance with HK regulations.

**GD:** One of the Research Analysts on the fundamental credit coverage team (and/or a member of his or her household) has a long position in the common equity securities of this issuer.

**GE:** One of the Research Analysts on the fundamental equity coverage team (and/or a member of his or her household) has a long position in the common equity securities of this issuer.

**H:** This issuer beneficially owns more than 5% of any class of common equity securities of Barclays PLC.

**I:** Barclays Bank PLC and/or an affiliate is party to an agreement with this issuer for the provision of financial services to Barclays Bank PLC and/or an affiliate.

**J:** Barclays Bank PLC and/or an affiliate is a liquidity provider and/or trades regularly in the securities of this issuer and/or in any related derivatives.

**K:** Barclays Bank PLC and/or an affiliate has received non-investment banking related compensation (including compensation for brokerage services, if applicable) from this issuer within the past 12 months.

**L:** This issuer is, or during the past 12 months has been, an investment banking client of Barclays Bank PLC and/or an affiliate.

**M:** This issuer is, or during the past 12 months has been, a non-investment banking client (securities related services) of Barclays Bank PLC and/or an affiliate.

**N:** This issuer is, or during the past 12 months has been, a non-investment banking client (non-securities related services) of Barclays Bank PLC and/or an affiliate.

**O:** Not in use.

**P:** A partner, director or officer of Barclays Capital Canada Inc. has, during the preceding 12 months, provided services to the subject company for remuneration, other than normal course investment advisory or trade execution services.

**Q:** Barclays Bank PLC and/or an affiliate is a Corporate Broker to this issuer.

**R:** Barclays Capital Canada Inc. has received compensation for investment banking services from this issuer in the past 12 months.

**S:** This issuer is a Corporate Broker to Barclays PLC.

**T:** Barclays Bank PLC and/or an affiliate is providing investor engagement services to this issuer.

**U:** The equity securities of this Canadian issuer include subordinate voting restricted shares.

**V:** The equity securities of this Canadian issuer include non-voting restricted shares.

#### **Risk Disclosure(s)**

Master limited partnerships (MLPs) are pass-through entities structured as publicly listed partnerships. For tax purposes, distributions to MLP unit holders may be treated as a return of principal. Investors should consult their own tax advisors before investing in MLP units.

#### **Disclosure(s) regarding Information Sources**

Bloomberg® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg") and the Bloomberg Indices are trademarks of Bloomberg. Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Bloomberg does not approve or endorse this material, or guarantee the accuracy or completeness of any information herein, or make any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, Bloomberg shall have no liability or responsibility for injury or damages arising in connection therewith.

#### **Guide to the Barclays Fundamental Equity Research Rating System:**

Our coverage analysts use a relative rating system in which they rate stocks as Overweight, Equal Weight or Underweight (see definitions below) relative to other companies covered by the analyst or a team of analysts that are deemed to be in the same industry (the "industry coverage universe").

In addition to the stock rating, we provide industry views which rate the outlook for the industry coverage universe as Positive, Neutral or Negative (see definitions below). A rating system using terms such as buy, hold and sell is not the equivalent of our rating system. Investors should carefully read the entire research report including the definitions of all ratings and not infer its contents from ratings alone.

#### **Stock Rating**

**Overweight** - The stock is expected to outperform the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

**Equal Weight** - The stock is expected to perform in line with the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

**Underweight** - The stock is expected to underperform the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

**Rating Suspended** - The rating and target price have been suspended temporarily due to market events that made coverage impracticable or to comply with applicable regulations and/or firm policies in certain circumstances including where the Investment Bank of Barclays Bank PLC is acting in an advisory capacity in a merger or strategic transaction involving the company.

#### **Industry View**

**Positive** - industry coverage universe fundamentals/valuations are improving.

**Neutral** - industry coverage universe fundamentals/valuations are steady, neither improving nor deteriorating.

**Negative** - industry coverage universe fundamentals/valuations are deteriorating.

Below is the list of companies that constitute the "industry coverage universe":

#### **U.S. Specialty Retail, Apparel & Footwear**

Abercrombie & Fitch Co. (ANF)	Academy Sports and Outdoors (ASO)	American Eagle Outfitters, Inc. (AEO)
Bath & Body Works Inc. (BBWI)	Burlington Stores, Inc. (BURL)	Canada Goose Holdings, Inc. (GOOS)
Capri Holdings Limited (CPRI)	Carter's Inc. (CRI)	Columbia Sportswear (COLM)
Cricut, Inc. (CRCT)	Crocs, Inc. (CROX)	Deckers Outdoor Corp (DECK)
DICK'S Sporting Goods, Inc. (DKS)	FIGS, Inc. (FIGS)	G-III Apparel Group, LTD. (GIII)

Gildan Activewear Inc. (GIL)	Groupe Dynamite Inc. (GRGD.TO)	Hanesbrands Inc. (HBI)
Kohl's Corp. (KSS)	Kontoor Brands, Inc. (KTB)	Levi Strauss & Co. (LEVI)
lululemon athletica inc. (LULU)	Macy's Inc. (M)	National Vision Holdings, Inc. (EYE)
Nike, Inc. (NKE)	On Holding AG (ONON)	Pet Valu Holdings Ltd. (PET.TO)
PVH Corp. (PVH)	Ralph Lauren Corporation (RL)	Ross Stores, Inc. (ROST)
Tapestry, Inc. (TPR)	The Gap, Inc. (GAP)	The TJX Companies, Inc. (TJX)
Ulta Beauty, Inc. (ULTA)	Under Armour, Inc. (UAA)	Urban Outfitters, Inc. (URBN)
V.F. Corporation (VFC)	Victoria's Secret & Co. (VSCO)	

#### **Distribution of Ratings:**

Barclays Equity Research has 1792 companies under coverage.

49% have been assigned an Overweight rating which, for purposes of mandatory regulatory disclosures, is classified as a Buy rating; 54% of companies with this rating are investment banking clients of the Firm; 69% of the issuers with this rating have received financial services from the Firm.

36% have been assigned an Equal Weight rating which, for purposes of mandatory regulatory disclosures, is classified as a Hold rating; 49% of companies with this rating are investment banking clients of the Firm; 64% of the issuers with this rating have received financial services from the Firm.

14% have been assigned an Underweight rating which, for purposes of mandatory regulatory disclosures, is classified as a Sell rating; 37% of companies with this rating are investment banking clients of the Firm; 58% of the issuers with this rating have received financial services from the Firm.

#### **Guide to the Barclays Research Price Target:**

Each analyst has a single price target on the stocks that they cover. The price target represents that analyst's expectation of where the stock will trade in the next 12 months. Upside/downside scenarios, where provided, represent potential upside/potential downside to each analyst's price target over the same 12-month period.

#### **Types of investment recommendations produced by Barclays Equity Research:**

In addition to any ratings assigned under Barclays' formal rating systems, this publication may contain investment recommendations in the form of trade ideas, thematic screens, scorecards or portfolio recommendations that have been produced by analysts within Equity Research. Any such investment recommendations shall remain open until they are subsequently amended, rebalanced or closed in a future research report.

Barclays may also re-distribute equity research reports produced by third-party research providers that contain recommendations that differ from and/or conflict with those published by Barclays' Equity Research Department.

#### **Disclosure of other investment recommendations produced by Barclays Equity Research:**

Barclays Equity Research may have published other investment recommendations in respect of the same securities/instruments recommended in this research report during the preceding 12 months. To view all investment recommendations published by Barclays Equity Research in the preceding 12 months please refer to <https://live.barcap.com/go/research/Recommendations>.

#### **Legal entities involved in producing Barclays Research:**

Barclays Bank PLC (Barclays, UK)

Barclays Capital Inc. (BCI, US)

Barclays Bank Ireland PLC, Frankfurt Branch (BBI, Frankfurt)

Barclays Bank Ireland PLC, Paris Branch (BBI, Paris)

Barclays Bank Ireland PLC, Milan Branch (BBI, Milan)

Barclays Securities Japan Limited (BSJL, Japan)

Barclays Bank PLC, Hong Kong Branch (Barclays Bank, Hong Kong)

Barclays Bank Mexico, S.A. (BBMX, Mexico)

Barclays Capital Casa de Bolsa, S.A. de C.V. (BCCB, Mexico)

Barclays Securities (India) Private Limited (BSIPL, India)

Barclays Bank PLC, Singapore Branch (Barclays Bank, Singapore)

Barclays Bank PLC, DIFC Branch (Barclays Bank, DIFC)

## Nike, Inc. (NKE / NKE)

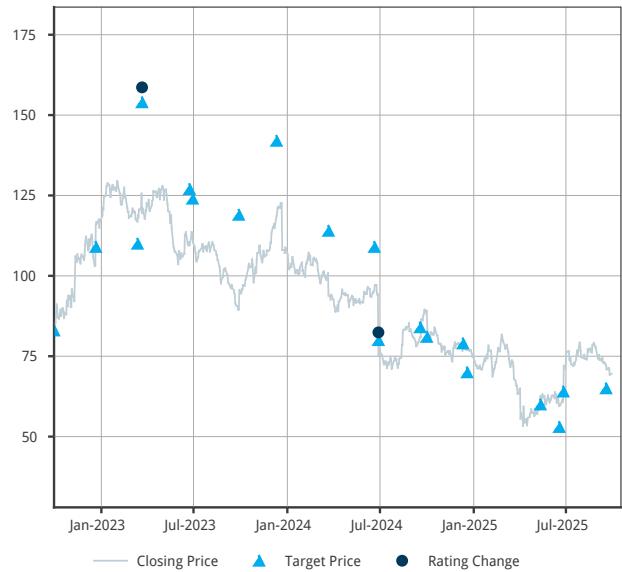
Stock Rating: **EQUAL WEIGHT**

Industry View: **NEUTRAL**

Closing Price: **USD 69.73** (30-Sep-2025)

### Rating and Price Target Chart - USD (as of 30-Sep-2025)

Currency=USD



Source: IDC, Barclays Research

[Link to Barclays Live for interactive charting](#)

Publication Date	Closing Price*	Rating	Adjusted Price Target
18-Sep-2025	72.75		65.00
26-Jun-2025	62.54		64.00
18-Jun-2025	61.90		53.00
12-May-2025	58.91		60.00
19-Dec-2024	77.10		70.00
11-Dec-2024	76.74		79.00
01-Oct-2024	89.13		81.00
18-Sep-2024	80.64		84.00
28-Jun-2024	94.19	Equal Weight	80.00
20-Jun-2024	95.00		109.00
22-Mar-2024	100.82		114.00
11-Dec-2023	115.91		142.00
28-Sep-2023	89.63		119.00
29-Jun-2023	113.37		124.00
23-Jun-2023	109.98		127.00
22-Mar-2023	125.61	Overweight	154.00
13-Mar-2023	117.49		110.00
21-Dec-2022	103.21		109.00

On 30-Sep-2022, prior to any intra-day change that may have been published, the rating for this security was Equal Weight, and the adjusted price target was 83.00.

Source: Bloomberg, Barclays Research

\*This is the closing price referenced in the publication, which may not be the last available closing price at the time of publication.

Historical stock prices and price targets may have been adjusted for stock splits and dividends.

**CD:** Barclays Bank PLC and/or an affiliate is a market-maker in debt securities issued by Nike, Inc..

**CE:** Barclays Bank PLC and/or an affiliate is a market-maker in equity securities issued by Nike, Inc..

**D:** Barclays Bank PLC and/or an affiliate has received compensation for investment banking services from Nike, Inc. in the past 12 months.

**E:** Barclays Bank PLC and/or an affiliate expects to receive or intends to seek compensation for investment banking services from Nike, Inc. within the next 3 months.

**J:** Barclays Bank PLC and/or an affiliate is a liquidity provider and/or trades regularly in the securities by Nike, Inc. and/or in any related derivatives.

**K:** Barclays Bank PLC and/or an affiliate has received non-investment banking related compensation (including compensation for brokerage services, if applicable) from Nike, Inc. within the past 12 months.

**L:** Nike, Inc. is, or during the past 12 months has been, an investment banking client of Barclays Bank PLC and/or an affiliate.

**M:** Nike, Inc. is, or during the past 12 months has been, a non-investment banking client (securities related services) of Barclays Bank PLC and/or an affiliate.

**N:** Nike, Inc. is, or during the past 12 months has been, a non-investment banking client (non-securities related services) of Barclays Bank PLC and/or an affiliate.

**Valuation Methodology:** Our price target of \$70 is based on an NTM P/E multiple of 29x applied to our CY27 EPS estimate of \$2.43.

**Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target:** Risks to the upside on our rating include 1) reacceleration of consumer spending, 2) normalization of China market to DD growth, 3) shift to NA DTC offsets margin pressure from wholesale channel. Risks to the downside include 1) further global slowdown, 2) global sourcing and supply chain disruption, 3) ability to maintain product innovation to drive growth.

#### Disclaimer:

This publication has been produced by Barclays Research Department in the Investment Bank of Barclays Bank PLC and/or one or more of its affiliates (collectively and each individually, "Barclays").

It has been prepared for institutional investors and not for retail investors. It has been distributed by one or more Barclays affiliated legal entities listed below or by an independent and non-affiliated third-party entity (as may be communicated to you by such third-party entity in its communications with you). It is provided for information purposes only, and Barclays makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this publication. To the extent that this publication states on the front page that it is intended for institutional investors and is not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors under U.S. FINRA Rule 2242, it is an "institutional debt research report" and distribution to retail investors is strictly prohibited. Barclays also distributes such institutional debt research reports to various issuers, media, regulatory and academic organisations for their own internal informational news gathering, regulatory or academic purposes and not for the purpose of making investment decisions regarding any debt securities. Media organisations are prohibited from re-publishing any opinion or recommendation concerning a debt issuer or debt security contained in any Barclays institutional debt research report. Any such recipients that do not want to continue receiving Barclays

institutional debt research reports should contact [debtresearch@barclays.com](mailto:debtresearch@barclays.com). Unless clients have agreed to receive "institutional debt research reports" as required by US FINRA Rule 2242, they will not receive any such reports that may be co-authored by non-debt research analysts. Eligible clients may get access to such cross asset reports by contacting [debtresearch@barclays.com](mailto:debtresearch@barclays.com). Barclays will not treat unauthorized recipients of this report as its clients and accepts no liability for use by them of the contents which may not be suitable for their personal use. Prices shown are indicative and Barclays is not offering to buy or sell or soliciting offers to buy or sell any financial instrument.

Without limiting any of the foregoing and to the extent permitted by law, in no event shall Barclays, nor any affiliate, nor any of their respective officers, directors, partners, or employees have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this publication or its contents.

Other than disclosures relating to Barclays, the information contained in this publication has been obtained from sources that Barclays Research believes to be reliable, but Barclays does not represent or warrant that it is accurate or complete. Appearances by Third-Party Speakers: Any views or opinions expressed by third-party speakers during this event are solely those of the speaker and do not represent the views or opinions of Barclays. Barclays is not responsible for, and makes no warranties whatsoever as to, the information or opinions contained in any written, electronic, audio or video presentations by any third-party speakers at the event ("Third-Party Content"). Any such Third-Party Content has not been adopted or endorsed by Barclays and does not represent the views or opinions of Barclays. Third-Party Content is provided for information purposes only and has not been independently verified by Barclays for its accuracy or completeness.

The views in this publication are solely and exclusively those of the authoring analyst(s) and are subject to change, and Barclays Research has no obligation to update its opinions or the information in this publication. Unless otherwise disclosed herein, the analysts who authored this report have not received any compensation from the subject companies in the past 12 months. If this publication contains recommendations, they are general recommendations that were prepared independently of any other interests, including those of Barclays and/or its affiliates, and/or the subject companies. This publication does not contain personal investment recommendations or investment advice or take into account the individual financial circumstances or investment objectives of the clients who receive it. Barclays is not a fiduciary to any recipient of this publication. The securities and other investments discussed herein may not be suitable for all investors and may not be available for purchase in all jurisdictions. The United States imposed sanctions on certain Chinese companies (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/chinese-military-companies-sanctions>), which may restrict U.S. persons from purchasing securities issued by those companies. Investors must independently evaluate the merits and risks of the investments discussed herein, including any sanctions restrictions that may apply, consult any independent advisors they believe necessary, and exercise independent judgment with regard to any investment decision. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results. The information provided does not constitute a financial benchmark and should not be used as a submission or contribution of input data for the purposes of determining a financial benchmark.

This publication is not investment company sales literature as defined by Section 270.24(b) of the US Investment Company Act of 1940, nor is it intended to constitute an offer, promotion or recommendation of, and should not be viewed as marketing (including, without limitation, for the purposes of the UK Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) or AIFMD (Directive 2011/61)) or pre-marketing (including, without limitation, for the purposes of Directive (EU) 2019/1160) of the securities, products or issuers that are the subject of this report.

**Third Party Distribution:** Any views expressed in this communication are solely those of Barclays and have not been adopted or endorsed by any third party distributor.

**United Kingdom:** This document is being distributed (1) only by or with the approval of an authorised person (Barclays Bank PLC) or (2) to, and is directed at (a) persons in the United Kingdom having professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (b) high net worth companies, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (c) other persons to whom it may otherwise lawfully be communicated (all such persons being "Relevant Persons"). Any investment or investment activity to which this communication relates is only available to and will only be engaged in with Relevant Persons. Any other persons who receive this communication should not rely on or act upon it. Barclays Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is a member of the London Stock Exchange.

**European Economic Area ("EEA"):** This material is being distributed to any "Authorised User" located in a Restricted EEA Country by Barclays Bank Ireland PLC. The Restricted EEA Countries are Austria, Bulgaria, Estonia, Finland, Hungary, Iceland, Liechtenstein, Lithuania, Luxembourg, Malta, Portugal, Romania, Slovakia and Slovenia. For any other "Authorised User" located in a country of the European Economic Area, this material is being distributed by Barclays Bank PLC. Barclays Bank Ireland PLC is a bank authorised by the Central Bank of Ireland whose registered office is at 1 Molesworth Street, Dublin 2, Ireland. Barclays Bank PLC is not registered in France with the Autorité des marchés financiers or the Autorité de contrôle prudentiel. Authorised User means each individual associated with the Client who is notified by the Client to Barclays and authorised to use the Research Services. The Restricted EEA Countries will be amended if required.

**Finland:** Notwithstanding Finland's status as a Restricted EEA Country, Research Services may also be provided by Barclays Bank PLC where permitted by the terms of its cross-border license.

**Americas:** The Investment Bank of Barclays Bank PLC undertakes U.S. securities business in the name of its wholly owned subsidiary Barclays Capital Inc., a FINRA and SIPC member. Barclays Capital Inc., a U.S. registered broker/dealer, is distributing this material in the United States and, in connection therewith accepts responsibility for its contents. Any U.S. person wishing to effect a transaction in any security discussed herein should do so only by contacting a representative of Barclays Capital Inc. in the U.S. at 745 Seventh Avenue, New York, New York 10019.

Non-U.S. persons should contact and execute transactions through a Barclays Bank PLC branch or affiliate in their home jurisdiction unless local regulations permit otherwise.

This material is distributed in Canada by Barclays Capital Canada Inc., a registered investment dealer, a Dealer Member of Canadian Investment Regulatory Organization ([www.ciro.ca](http://www.ciro.ca)), and a Member of the Canadian Investor Protection Fund (CIPF).

This material is distributed in Mexico by Barclays Bank Mexico, S.A. and/or Barclays Capital Casa de Bolsa, S.A. de C.V. This material is distributed in the Cayman Islands and in the Bahamas by Barclays Capital Inc., which it is not licensed or registered to conduct and does not conduct business in, from or within those jurisdictions and has not filed this material with any regulatory body in those jurisdictions.

**Japan:** This material is being distributed to institutional investors in Japan by Barclays Securities Japan Limited. Barclays Securities Japan Limited is a joint-stock company incorporated in Japan with registered office of 6-10-1 Roppongi, Minato-ku, Tokyo 106-6131, Japan. It is a subsidiary of Barclays Bank PLC and a registered financial instruments firm regulated by the Financial Services Agency of Japan. Registered Number: Kanto Zaimukyokucho (kinsho) No. 143.

**Asia Pacific (excluding Japan):** Barclays Bank PLC, Hong Kong Branch is distributing this material in Hong Kong as an authorised institution regulated by the Hong Kong Monetary Authority. Registered Office: 41/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

All Indian securities-related research and other equity research produced by Barclays' Investment Bank are distributed in India by Barclays Securities (India) Private Limited (BSIPL). BSIPL is a company incorporated under the Companies Act, 1956 having CIN U67120MH2006PTC161063. BSIPL is registered and regulated by the Securities and Exchange Board of India (SEBI) as a Research Analyst: INH000001519; Portfolio Manager INP000002585; Stock Broker INZ000269539 (member of NSE and BSE); Depository Participant with the National Securities & Depositories Limited (NSDL): DP ID: IN-DP-NSDL-478-2020; Investment Adviser: INA000000391. BSIPL is also registered as a Mutual Fund Advisor having AMFI ARN No. 53308. The registered office of BSIPL is at Nirlon Knowledge Park, 9th floor, Block B-6, Off. Western Express Highway, Goregaon (East), Mumbai – 400063, India. Telephone No: +91 22 61754000 Fax number: +91 22 61754099. Any other reports produced by Barclays' Investment Bank are distributed in India by Barclays Bank PLC, India Branch, an associate of BSIPL in India that is registered with Reserve Bank of India (RBI) as a Banking Company under the provisions of The Banking Regulation Act, 1949 (Regn No BOM43) and registered with SEBI as Merchant Banker (Regn No INM000002129) and also as Banker to the Issue (Regn No INBI00000950). Barclays Investments and Loans (India) Limited, registered with RBI as Non Banking Financial Company (Regn No RBI CoR-07-00258), and Barclays Wealth Trustees (India) Private Limited, registered with Registrar of Companies (CIN U93000MH2008PTC188438), are associates of BSIPL in India that are not authorised to distribute any reports produced by Barclays' Investment Bank.

This material is distributed in Singapore by the Singapore Branch of Barclays Bank PLC, a bank licensed in Singapore by the Monetary Authority of Singapore. For matters in connection with this material, recipients in Singapore may contact the Singapore branch of Barclays Bank PLC, whose registered address is 10 Marina Boulevard, #23-01 Marina Bay Financial Centre Tower 2, Singapore 018983.

This material, where distributed to persons in Australia, is produced or provided by Barclays Bank PLC.

This communication is directed at persons who are a "Wholesale Client" as defined by the Australian Corporations Act 2001.

Please note that the Australian Securities and Investments Commission (ASIC) has provided certain exemptions to Barclays Bank PLC (BBPLC) under paragraph 911A(2)(l) of the Corporations Act 2001 from the requirement to hold an Australian financial services licence (AFSL) in respect of financial services provided to Australian Wholesale Clients, on the basis that BBPLC is authorised by the Prudential Regulation Authority of the United Kingdom (PRA) and regulated by the Financial Conduct Authority (FCA) of the United Kingdom and the PRA under United Kingdom laws. The United Kingdom has laws which differ from Australian laws. To the extent that this communication involves the provision of financial services by BBPLC to Australian Wholesale Clients, BBPLC relies on the relevant exemption from the requirement to hold an AFSL. Accordingly, BBPLC does not hold an AFSL.

This communication may be distributed to you by either: (i) Barclays Bank PLC directly, (ii) Barrenjoey Markets Pty Limited (ACN 636 976 059, "Barrenjoey"), the holder of Australian Financial Services Licence (AFSL) 521800, a non-affiliated third party distributor, where clearly identified to you by Barrenjoey. Barrenjoey is not an agent of Barclays Bank PLC or (iii) such other non-affiliated third-party distributor(s) as may be clearly identified to you. Such non-affiliated third-party distributor(s) are not agents of Barclays Bank PLC.

This material, where distributed in New Zealand, is produced or provided by Barclays Bank PLC. Barclays Bank PLC is not registered, filed with or approved by any New Zealand regulatory authority. This material is not provided under or in accordance with the Financial Markets Conduct Act of 2013 ("FMCA"), and is not a disclosure document or "financial advice" under the FMCA. This material is distributed to you by either: (i) Barclays Bank PLC directly or (ii) Barrenjoey Markets Pty Limited ("Barrenjoey"), a non-affiliated third party distributor, where clearly identified to you by Barrenjoey. Barrenjoey is not an agent of Barclays Bank PLC. This material may only be distributed to "wholesale investors" that meet the "investment business", "investment activity", "large", or "government agency" criteria specified in Schedule 1 of the FMCA.

**Middle East:** Nothing herein should be considered investment advice as defined in the Israeli Regulation of Investment Advisory, Investment Marketing and Portfolio Management Law, 1995 ("Advisory Law"). This document is being made to eligible clients (as defined under the Advisory Law) only. Barclays Israeli branch previously held an investment marketing license with the Israel Securities Authority but it cancelled such license on 30/11/2014 as it solely provides its services to eligible clients pursuant to available exemptions under the Advisory Law, therefore a license with the Israel Securities Authority is not required. Accordingly, Barclays does not maintain an insurance coverage pursuant to the Advisory Law.

This material is distributed in the United Arab Emirates (including the Dubai International Financial Centre) and Qatar by Barclays Bank PLC. Barclays Bank PLC in the Dubai International Financial Centre (Registered No. 0060) is regulated by the Dubai Financial Services Authority (DFSA). Principal place of business in the Dubai International Financial Centre: The Gate Village, Building 4, Level 4, PO Box 506504, Dubai, United Arab Emirates. Barclays Bank PLC-DIFC Branch, may only undertake the financial services activities that fall within the scope of its existing DFSA licence. Related financial products or services are only available to Professional Clients, as defined by the Dubai Financial Services Authority. Barclays Bank PLC in the UAE is regulated by the Central Bank of the UAE and is licensed to conduct business activities as a branch of a commercial bank incorporated outside the UAE in Dubai (Licence No.: 13/1844/2008, Registered Office: Building No. 6, Burj Dubai Business Hub, Sheikh Zayed Road, Dubai City) and Abu Dhabi (Licence No.: 13/952/2008, Registered Office: Al Jazira Towers, Hamdan Street, PO Box 2734, Abu Dhabi). This material does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase, any securities or investment products in the UAE (including the Dubai International Financial Centre) and accordingly should not be construed as such. Furthermore, this information is being made available on the basis that the recipient acknowledges and understands that the entities and securities to which it may relate have not been approved, licensed by or registered with the UAE Central Bank, the Dubai Financial Services Authority or any other relevant licensing authority or governmental agency in the UAE. The content of this report has not been approved by or filed with the UAE Central Bank or Dubai Financial Services Authority. Barclays Bank PLC in the Qatar Financial Centre (Registered No. 00018) is authorised by the Qatar Financial Centre Regulatory Authority (QFCRA). Barclays Bank PLC-QFC Branch may only undertake the regulated activities that fall within the scope of its existing QFCRA licence. Principal place of business in Qatar: Qatar Financial Centre, Office 1002, 10th Floor, QFC Tower, Diplomatic Area, West Bay, PO Box 15891, Doha, Qatar. Related financial products or services are only available to Business Customers as defined by the Qatar Financial Centre Regulatory Authority.

**Russia:** This material is not intended for investors who are not Qualified Investors according to the laws of the Russian Federation as it might contain information about or description of the features of financial instruments not admitted for public offering and/or circulation in the Russian Federation and thus not eligible for non-Qualified Investors. If you are not a Qualified Investor according to the laws of the Russian Federation, please dispose of any copy of this material in your possession.

**Sustainable Investing Related Research:** There is currently no globally accepted framework or definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes a 'sustainable', 'ESG', 'green', 'climate-friendly' or an equivalent company, investment, strategy or consideration or what precise attributes are required to be eligible to be categorised by such terms. This means there are different ways to evaluate a company or an investment and so different values may be placed on certain sustainability credentials as well as adverse ESG-related impacts of companies and ESG controversies. The evolving nature of sustainable investing considerations, models and methodologies means it can be challenging to definitively and universally classify a company or investment under a sustainable investing label and there may be areas where such companies and investments could improve or where adverse ESG-related impacts or ESG controversies exist. The evolving nature of sustainable finance related regulations and the development of jurisdiction-specific regulatory criteria also means that there is likely to be a degree of divergence as to the interpretation of such terms in the market. We expect industry guidance, market practice, and regulations in this field to continue to evolve.

Any information, data, image, or other content including from a third party source contained, referred to herein or used for whatsoever purpose by Barclays or a third party ("Information"), in relation to any actual or potential 'ESG', 'sustainable' or equivalent objective, issue, factor or consideration is not intended to be relied upon for ESG or sustainability classification, regulatory regime or industry initiative purposes ("ESG Regimes"), unless otherwise stated. Nothing in these materials, including any images included therein, is intended to convey, suggest or indicate that Barclays considers or represents any product, service, person or body mentioned in these materials as meeting or qualifying for any ESG or sustainability classification, label or similar standards that may exist under ESG Regimes. Barclays has not conducted any assessment of compliance with ESG Regimes. Parties are reminded to make their own assessments for these purposes.

**IRS Circular 230 Prepared Materials Disclaimer:** Barclays does not provide tax advice and nothing contained herein should be construed to be tax advice. Please be advised that any discussion of U.S. tax matters contained herein (including any attachments) (i) is not intended or written to be used, and cannot be used, by you for the purpose of avoiding U.S. tax-related penalties; and (ii) was written to support the promotion or marketing of the transactions or other matters addressed herein. Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.

© Copyright Barclays Bank PLC (2025). All rights reserved. No part of this publication may be reproduced or redistributed in any manner without the prior written permission of Barclays. Barclays Bank PLC is registered in England No. 1026167. Registered office 1 Churchill Place, London, E14 5HP. Additional information regarding this publication will be furnished upon request.

---

**U.S. Specialty Retail, Apparel & Footwear**

---

Angus Kelleher

+1 212 526 0081

angus.kelleherferguson@barclays.

com

BCI, US