



**NIKE**

23.06.25

Three Statement Financial Model including valuation calculation

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Summary Outputs

SUMMARY VALUES - BASE CASE

(\$ Millions)	Trend	2022A	2023A	2024A	Projected				
					2025	2026	2027	2028	2029
Income Statement Items									
Net Revenue		\$46,710	\$51,217	\$51,362	\$53,936	\$56,189	\$60,769	\$63,605	\$68,035
Growth			9.6%	0.3%	5.0%	4.2%	8.2%	4.7%	7.0%
EBITDA		\$6,856	\$5,635	\$6,539	\$7,145	\$7,524	\$10,145	\$10,654	\$12,629
Margin		14.7%	11.0%	12.7%	13.2%	13.4%	16.7%	16.8%	18.6%
Growth			(17.8%)	16.0%	9.3%	5.3%	34.8%	5.0%	18.5%
Net Income		\$6,046	\$4,510	\$5,700	\$5,930	\$6,283	\$8,535	\$8,985	\$10,686
Margin		12.9%	8.8%	11.1%	11.0%	11.2%	14.0%	14.1%	15.7%
Growth			(25.4%)	26.4%	4.0%	6.0%	35.8%	5.3%	18.9%

SUMMARY VALUES - BEST CASE

(\$ Millions)	Trend	2022A	2023A	2024A	Projected				
					2025	2026	2027	2028	2029
Income Statement Items									
Net Revenue		\$46,710	\$51,217	\$51,362	\$56,096	\$58,440	\$63,813	\$67,434	\$72,132
Growth			9.6%	0.3%	9.2%	4.2%	9.2%	5.7%	7.0%
EBITDA		\$6,856	\$5,635	\$6,539	\$9,397	\$9,967	\$13,242	\$14,529	\$17,035
Margin		14.7%	11.0%	12.7%	16.8%	17.1%	20.8%	21.5%	23.6%
Growth			(17.8%)	16.0%	43.7%	6.1%	32.9%	9.7%	17.2%
Net Income		\$6,046	\$4,510	\$5,700	\$7,844	\$8,358	\$11,167	\$12,280	\$14,435
Margin		12.9%	8.8%	11.1%	14.0%	14.3%	17.5%	18.2%	20.0%
Growth			(25.4%)	26.4%	37.6%	6.6%	33.6%	10.0%	17.5%

SUMMARY VALUES - WORST CASE

(\$ Millions)	Trend	2022A	2023A	2024A	Projected				
					2025	2026	2027	2028	2029
Income Statement Items									
Net Revenue		\$46,710	\$51,217	\$51,362	\$51,284	\$53,425	\$57,222	\$59,316	\$62,227
Growth			9.6%	0.3%	(0.2%)	4.2%	7.1%	3.7%	4.9%
EBITDA		\$6,856	\$5,635	\$6,539	\$4,481	\$4,513	\$6,344	\$6,372	\$7,398
Margin		14.7%	11.0%	12.7%	8.7%	8.4%	11.1%	10.7%	11.9%
Growth			(17.8%)	16.0%	(31.5%)	0.7%	40.6%	0.4%	16.1%
Net Income		\$6,046	\$4,510	\$5,700	\$3,665	\$3,725	\$5,303	\$5,344	\$6,236
Margin		12.9%	8.8%	11.1%	7.1%	7.0%	9.3%	9.0%	10.0%
Growth			(25.4%)	26.4%	(35.7%)	1.6%	42.4%	0.8%	16.7%

## Inputs and Assumptions

### GENERAL

- First year of forecast in financial model: 2025
- Three scenarios have been used for Inflation, Product Pricing and sales volume growth

### PRODUCT PRICING

- The product pricing cases used in the model are as follows:

#### Pricing Case 2025 - 2029

Base Case	Research Forecast
Best Case	+4%
Worst Case	(4%)

### Valuation

		<u>Comments</u>
WACC	9%	For discounting
Growth Rate, g	2%	To calculate Termial Value
P/E Multiple	\$20.0	Forward Looking

### Short-term investments

% cash bought as short-term investments	65.0%
% of short-term investments maturing	28.0%
% of remaining short-term investments sold	73.0%

### EQUITY

Stock Price on 31-May-2024	\$86.24
Wgtd Avg Diluted Shares O/S (in millions) 31-May-2024	1,529.70
Common Dividend Payout Rate	50.0%

Tax rate assumed in the model:	15.0%
Additional tax assumption in "Other Assumptions" box	

### INTEREST RATES

Interest earned on Cash balances:	1.0%
Interest rate on Notes payable:	5.0%
Interest rate on Long Term Debt:	3.0%

Inputs and Assumptions

OTHER ASSUMPTIONS		2025	2026	2027	2028	2029
<b>Income Statement</b>						
Other (income) expense, net	MM	(\$250.0)	(\$250.0)	(\$260.0)	(\$260.0)	(\$260.0)
<b>Cash Flow Statement</b>						
Investing Activities - Other	MM	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Stock based compensation	% revenue	1.6%	1.6%	1.6%	1.6%	1.6%
Net foreign currency adjustmetns	% revenue	0.3%	0.3%	0.3%	0.3%	0.3%
<b>Balance Sheet</b>						
Current portion of long-term debt	MM	0	2,000	0	0	0
Deferred tax asset	% of revenue	8%	8%	8%	8%	8%
Current portion of op lease liability	MM	572	554	485	403	362
ROU asset depreciation(straight line)	MM	\$205	\$205	\$205	\$205	\$205
<b>Shareholder's equity</b>						
Share buyback	MM	\$4,500	\$4,500	\$2,500	\$2,500	\$2,500
<b>Working Capital Days</b>						
Accounts Receivable	days	28	28.0	30.0	30.0	30.0
Inventories	days	100.0	102.0	104.0	106.0	104.0
Prepaid Expenses	days	24.0	23.5	23.5	24.0	24.5
Operating lease ROU assets	days	34.0	34.0	34.5	34.5	35.0
Accounts Payable	days	36.0	36.4	36.5	35.5	36.0
Accrued liabilities	days	72.5	72.8	73.0	73.2	73.5
Income taxes payable	days	5.0	5.0	5.0	5.5	5.5
Operating lease liabilites	days	33.0	33.0	32.0	32.0	31.5

Economic and Sales Scenarios

SCENARIO SWITCH: Base Case

2025 2026 2027 2028 2029

ECONOMIC SCENARIOS

Cost Inflation

Base Case  
Best Case  
Worst Case

2.0%	2.0%	2.0%	2.5%	2.5%
2.0%	2.0%	2.0%	2.5%	2.5%
1.8%	1.8%	1.8%	2.0%	2.0%
2.5%	2.5%	2.5%	2.5%	2.5%

SALES SCENARIOS

Footwear ASP - \$/Unit

Base Case  
4% Best Case  
(4%) Worst Case

87.5	90.0	92.5	95.0	97.5
87.5	90.0	92.5	95.0	97.5
91.0	93.6	96.2	98.8	101.4
84.0	86.4	88.8	91.2	93.6

Apparel ASP - \$/Unit

Base Case  
4% Best Case  
(4%) Worst Case

52.5	55.0	57.5	60.0	62.5
52.5	55.0	57.5	60.0	62.5
54.6	57.2	59.8	62.4	65.0
50.4	52.8	55.2	57.6	60.0

Equipment ASP - \$/Unit

Base Case  
4% Best Case  
(4%) Worst Case

22.5	25.0	27.5	30.0	32.5
22.5	25.0	27.5	30.0	32.5
23.4	26.0	28.6	31.2	33.8
21.6	24.0	26.4	28.8	31.2

Converse ASP - \$/Unit

Base Case  
4% Best Case  
(4%) Worst Case

65.0	67.5	67.5	70.0	70.0
65.0	67.5	67.5	70.0	70.0
67.6	70.2	70.2	72.8	72.8
62.4	64.8	64.8	67.2	67.2

**Global Brand Div growth - %**

Base Case

5% Best Case

(5%) Worst Case

-15%	-15%	-10%	0%	0%
-15%	-15%	-10%	0%	0%
-10%	-10%	-5%	5%	5%
-20%	-20%	-15%	-5%	-5%

**Sales Volume Growth**

Base Case

Best Case

Worst Case

-2%	-2%	0%	2%	2%
-2%	-2%	0%	2%	2%
0%	0%	1%	2%	2%
-5%	-3%	-1%	0%	2%

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## Revenue Schedule

		2022A	2023A	2024A	Projected				
					2025	2026	2027	2028	2029
Pricing									
Footwear ASP	(\$/unit)			85.0	87.5	90.0	92.5	95.0	97.5
Apparel ASP	(\$/unit)			50.0	52.5	55.0	57.5	60.0	62.5
Equipment ASP	(\$/unit)			20.0	22.5	25.0	27.5	30.0	32.5
Converse ASP	(\$/unit)			65.0	65.0	67.5	67.5	70.0	70.0
Sales Volume									
Sales Volume Growth	(%)				-2.0%	-2.0%	0.0%	2.0%	2.0%
Sales Volume-Footwear	(MM's units)			393	385	378	378	385	393
Sales Volume-Apparel	(MM's units)			276	270	265	265	270	275
Sales Volume-Equipment	(MM's units)			104	102	100	100	102	104
Sales Volume-Converse	(MM's units)			32	31	31	31	31	32
Revenue									
Footwear	(\$/MM)			33,427	33,722	33,992	34,936	36,598	38,312
Apparel	(\$/MM)			13,775	14,174	14,552	15,214	16,193	17,205
Equipment	(\$/MM)			2,075	2,288	2,491	2,740	3,049	3,369
Converse	(\$/MM)			2,082	2,040	2,076	2,076	2,196	2,240
Total	(\$/MM)			51,359	52,224	53,112	54,966	58,036	61,127
Revenue-other									
Global Brand Divisions Growth	(%)				-15%	-15%	-10%	0%	0%
Global Brand Divisions	(\$/MM)			45	38	33	29	29	29
Corporate	(\$/MM)	-72	27	-42	-29	-15	-29	-24	-22
Total Revenue	(\$ MM)			51,362	52,234	53,130	54,967	58,041	61,133

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## Costs of Production Schedule

		2022A	2023A	2024A	Projected				
					2025	2026	2027	2028	2029
Variable Cost %	85%								
Fixed Cost %	15%								
Annual Sales Volume	(MM's units)			804.5	788.4	772.7	772.7	788.1	803.9
Cost Inflation	(%)				2.0%	2.0%	2.0%	2.5%	2.5%
COSTS PER UNIT									
Variable Costs	(\$/unit)			30.1	30.7	31.3	31.9	32.7	33.5
Fixed Costs	(\$/unit)			5.3	5.5	5.8	5.9	5.9	5.9
Total Costs	(\$/unit)			\$35.4	\$36.2	\$37.1	\$37.8	\$38.6	\$39.5
COSTS IN MILLIONS									
Variable Costs	(\$ MM)			24,204	24,194	24,184	24,668	25,790	26,964
Fixed Costs	(\$ MM)			4,271	4,357	4,444	4,533	4,646	4,762
Total Costs	(\$ MM)			\$28,475	\$28,551	\$28,628	\$29,201	\$30,436	\$31,726



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## Income Statement

(\$ Millions)

	2022A	2023A	2024A	<i>Projected</i>				
				2025	2026	2027	2028	2029
Sales Volume (MM's units)			804.5	788.4	772.7	772.7	788.1	803.9
Footwear	29,143	33,135	33,427	33,722	33,992	34,936	36,598	38,312
Apparel	13,567	13,843	13,775	14,174	14,552	15,214	16,193	17,205
Equipment	1,624	1,727	2,075	2,288	2,491	2,740	3,049	3,369
Converse	2,346	2,427	2,082	2,040	2,076	2,076	2,196	2,240
Global Brand Divisions	102	58	45	38	33	29	29	29
Corporate	-72	27	-42	-29	-15	-29	-24	-22
<b>Total Revenue</b>	<b>46,710</b>	<b>51,217</b>	<b>51,362</b>	<b>52,234</b>	<b>53,130</b>	<b>54,967</b>	<b>58,041</b>	<b>61,133</b>
<b>Cost of Sales</b>	<b>25,231</b>	<b>28,925</b>	<b>28,475</b>	<b>28,551</b>	<b>28,628</b>	<b>29,201</b>	<b>30,436</b>	<b>31,726</b>
Demand creation expense	3,850	4,060	4,285	4,371	4,458	4,547	4,661	4,777
Operation overhead expense	10,954	12,317	12,291	12,537	12,788	13,043	13,369	13,704
<b>S,G &amp; A</b>	<b>14,804</b>	<b>16,377</b>	<b>16,576</b>	<b>16,908</b>	<b>17,246</b>	<b>17,591</b>	<b>18,030</b>	<b>18,481</b>
Other (income) expense, net	-181	-280	-228	-250	-250	-260	-260	-260
<b>EBITDA</b>	<b>6,856</b>	<b>6,195</b>	<b>6,539</b>	<b>7,025</b>	<b>7,506</b>	<b>8,436</b>	<b>9,834</b>	<b>11,186</b>
Depreciation	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>6,856</b>	<b>6,195</b>	<b>6,539</b>	<b>7,025</b>	<b>7,506</b>	<b>8,436</b>	<b>9,834</b>	<b>11,186</b>
Interest Expense	205	-6	-161	169	150	154	101	80
<b>EBT</b>	<b>6,651</b>	<b>6,201</b>	<b>6,700</b>	<b>6,857</b>	<b>7,356</b>	<b>8,282</b>	<b>9,734</b>	<b>11,106</b>
Current Income Taxes	1,231.0	1,517.0	1,299.0	696.2	1,175.1	1,389.2	1,706.0	1,913.3
Deferred Income Taxes	(626.0)	(386.0)	(299.0)	332.3	(71.7)	(147.0)	(245.9)	(247.4)
<b>Total Income Taxes</b>	<b>605</b>	<b>1,131</b>	<b>1,000</b>	<b>1,028</b>	<b>1,103</b>	<b>1,242</b>	<b>1,460</b>	<b>1,666</b>
<b>Net Income</b>	<b>\$6,046</b>	<b>\$5,070</b>	<b>\$5,700</b>	<b>\$5,828</b>	<b>\$6,253</b>	<b>\$7,039</b>	<b>\$8,274</b>	<b>\$9,441</b>
<b>Margins</b>								
EBITDA Margin	14.7%	12.1%	12.7%	13.5%	14.1%	15.3%	16.9%	18.3%
EBIT Margin	14.7%	12.1%	12.7%	13.5%	14.1%	15.3%	16.9%	18.3%
Return on Equity			39.5%	41.2%	44.7%	43.3%	43.1%	41.4%

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## Cash Flow Statement

(\$ Millions)

	2022A	2023A	2024A	<i>Projected</i>				
				2025	2026	2027	2028	2029
<b>Operating Activities</b>								
Net Income	6,046	5,070	5,700	5,828	6,253	7,039	8,274	9,441
Depreciation	717	703	796	275	271	268	265	264
Deferred Income Taxes	-650	-117	-497	332	-72	-147	-246	-247
Stock-based compensation	638	755	804	836	850	879	929	978
Amortization, impairment and other	123	156	48	52	45	40	35	31
Net foreign currency adjustments	-26	-213	-138	-157	-159	-165	-174	-183
Operating lease liabilities				-477	-572	-554	-485	-403
Operating lease ROU asset				205	205	205	205	205
Changes in working capital	-1,660	-513	716	-138	-134	-596	-514	-127
<b>Operating Cash Flow</b>	<b>5,188</b>	<b>5,841</b>	<b>7,429</b>	<b>6,756</b>	<b>6,687</b>	<b>6,970</b>	<b>8,289</b>	<b>9,958</b>
<b>Investing Activities</b>								
Purchases of short-term investments	-12,913	-6,059	-4,767	-6,409	-5,680	-5,384	-4,976	-6,328
Maturities of short-term investments	8,199	3,356	2,269	2,277	2,033	1,903	1,763	2,115
Sales of short-term investments	3,967	4,184	4,219	4,274	3,816	3,572	3,310	3,969
CAPEX-Additions to PP&E	-758	-969	-812	-209	-213	-220	-232	-245
Other	-19	52	-15	0	0	0	0	0
<b>Investing Cash Flow</b>	<b>-1,524</b>	<b>564</b>	<b>894</b>	<b>-68</b>	<b>-43</b>	<b>-130</b>	<b>-135</b>	<b>-489</b>
<b>Financing Activities</b>								
Increase (decrease) in notes payable, net	15	-4	0	-6	0	0	0	0
Repayment of borrowings	0	-500	0	-1,000	0	-2,000	0	0
Proceeds from exercise of stock options and other stock issuances	1,151	651	667	823	714	735	757	735
Repurchase of common stock	-4,014	-5,480	-4,250	-4,500	-4,500	-2,500	-2,500	-2,500
Dividends-common and preferred	-1,837	-2,012	-2,169	-2,914	-3,126	-3,520	-4,137	-4,720
Other financing activities	-151	-102	-136	-130	-123	-129	-127	-126
<b>Financing Cash Flow</b>	<b>-4,836</b>	<b>-7,447</b>	<b>-5,888</b>	<b>-7,727</b>	<b>-7,035</b>	<b>-7,415</b>	<b>-6,007</b>	<b>-6,612</b>
Effect of exchange rate changes on cash	-143	-91	-16	-83	-63	-54	-67	-62
Change in the Cash Position	-1,315	-1,133	2,419	-1,122	-454	-628	2,080	2,796
Beginning Cash	<u>9,889</u>	<u>8,574</u>	<u>7,441</u>	<u>9,860</u>	<u>8,738</u>	<u>8,284</u>	<u>7,655</u>	<u>9,735</u>
Ending Cash	8,574	7,441	9,860	8,738	8,284	7,655	9,735	12,531

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## Balance Sheet

(\$ Millions)

	2022A	2023A	2024A	Projected				
				2025	2026	2027	2028	2029
<b>ASSETS</b>								
Cash		7,441	9,860	8,738	8,284	7,655	9,735	12,531
Short-term investments		3,234	1,722	1,581	1,411	1,321	1,224	1,468
Accounts Receivable		4,131	4,427	4,007	4,076	4,518	4,757	5,025
Inventory		8,454	7,519	7,822	8,000	8,320	8,815	9,040
Prepaid Expenses		1,942	1,854	1,877	1,843	1,880	1,996	2,130
<b>Total Current Assets</b>		25,202	25,382	24,025	23,614	23,694	26,528	30,194
Net PP&E		5,081	5,000	4,934	4,875	4,827	4,794	4,774
Operating lease right-of-use assets, net		2,923	2,718	2,513	2,308	2,103	1,898	1,693
Identifiable intangible assets, net		274	259	243	229	215	202	190
Goodwill		281	240	204	173	147	125	106
Deferred income taxes and other assets		3,770	4,511	4,179	4,250	4,397	4,643	4,891
<b>Total Long Term Assets</b>		12,329	12,728	12,073	11,836	11,690	11,662	11,655
<b>Total Assets</b>		<b>37,531</b>	<b>38,110</b>	<b>36,098</b>	<b>35,450</b>	<b>35,384</b>	<b>38,190</b>	<b>41,848</b>
<b>LIABILITIES AND EQUITY</b>								
Current portion of long-term debt			1,000	0	2,000	0	0	0
Notes payable		6	6	0	0	0	0	0
Accounts payable		2,862	2,851	2,816	2,855	2,920	2,952	3,129
Current portion of operating lease liabilities		425	477	572	554	485	403	362
Accrued liabilities		5,723	5,725	5,671	5,710	5,840	6,087	6,389
Income taxes payable		240	534	391	392	400	457	478
<b>Total Current Liabilities</b>		9,256	10,593	9,450	11,511	9,645	9,900	10,358
Long-term debt		8,927	7,903	7,903	5,903	5,903	5,903	5,903
Operating lease liabilities		2,786	2,566	1,994	1,440	955	552	190
Deferred Income Taxes and other liabilities		2,558	2,618	2,618	2,618	2,618	2,618	2,618
<b>Total Long Term Liabilities</b>		14,271	13,087	12,515	9,961	9,476	9,073	8,711
<b>Total Liabilities</b>		<b>23,527</b>	<b>23,680</b>	<b>21,965</b>	<b>21,472</b>	<b>19,121</b>	<b>18,973</b>	<b>19,069</b>
Common Shares		3	3	3	3	3	3	3
Capital in excess of stated value		12,412	13,409	14,245	15,095	15,974	16,903	17,881
Accumulated other comprehensive income		231	53	-317	-662	-1,011	-1,379	-1,750
Retained Earnings		1,358	965	202	-458	1,296	3,690	6,646
<b>Shareholder's Equity</b>		<b>14,004</b>	<b>14,430</b>	<b>14,133</b>	<b>13,978</b>	<b>16,263</b>	<b>19,217</b>	<b>22,779</b>
<b>Total Liabilities and Equity</b>		<b>37,531</b>	<b>38,110</b>	<b>36,098</b>	<b>35,450</b>	<b>35,384</b>	<b>38,190</b>	<b>41,848</b>

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## Fixed Assets (PP&amp;E) Schedule

(\$ Millions)

	2022A	2023A	2024A	Projected				
				2025	2026	2027	2028	2029
CAPEX(% of Revenue)								
Depreciation(% of beginning PP&E)								
Fixed Assets (PP&E)-Beginning				5,000	4,934	4,875	4,827	4,794
Depreciation				275	271	268	265	264
Revenue				52,234	53,130	54,967	58,041	61,133
CAPEX				209	213	220	232	245
Fixed Assets (PP&E)-Ending			\$5,000	\$4,934	\$4,875	\$4,827	\$4,794	\$4,774

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## Short-term investments schedule

(\$ Millions)

		2022A	2023A	2024A	Projected					
					2025	2026	2027	2028	2029	
% cash bought as short-term investments		65%								
% of short-term investments maturing		28%								
% of remaining short-term investments sold		73%								
Short-term investments-Beginning					1,722	1,581	1,411	1,321	1,224	
Cash					9,860	8,738	8,284	7,655	9,735	12,531
Purchases of short-term investments					-6,409	-5,680	-5,384	-4,976	-6,328	
Maturities of short-term investments					2,277	2,033	1,903	1,763	2,115	
Sale of short-term investments					4,274	3,816	3,572	3,310	3,969	
Short-term investments-Ending					\$1,722	\$1,581	\$1,411	\$1,321	\$1,224	\$1,468

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## Income Tax Schedule

(\$ Millions)

		<i>Projected</i>				
		2025	2026	2027	2028	2029
<b>Tax Rate</b>	15%					
<b>Accounting EBT (as is on I/S)</b>	<b>A</b>	<b>6,857</b>	<b>7,356</b>	<b>8,282</b>	<b>9,734</b>	<b>11,106</b>
Accounting Taxes (15% of A)		1,028	1,103	1,242	1,460	1,666
<b>Taxes as appearing on cash flow statement</b>						
Total Income Taxes (Same as Accounting Taxes Above)		1,028	1,103	1,242	1,460	1,666
Increase (Decrease) in Deferred Income Taxes Asset		-332	72	147	246	247
Decrease (Increase) in Deferred Income Liability		0	0	0	0	0
<b>Current Tax(cash paid)</b>		<b>696</b>	<b>1,175</b>	<b>1,389</b>	<b>1,706</b>	<b>1,913</b>

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## Working Capital Schedule

(\$ Millions)					Projected				
		2022A	2023A	2024A	2025	2026	2027	2028	2029
Days per Year	(days)		365	366	365	365	365	366	365
Income Statement Items									
Net Revenue	(\$ MM)		51,217	51,362	52,234	53,130	54,967	58,041	61,133
Cost of Sales	(\$ MM)		28,925	28,475	28,551	28,628	29,201	30,436	31,726
Days In									
Accounts Receivable	(days)		29.4	31.5	28.0	28.0	30.0	30.0	30.0
Inventories	(days)		106.7	96.6	100.0	102.0	104.0	106.0	104.0
Prepaid Expenses	(days)		24.5	23.8	24.0	23.5	23.5	24.0	24.5
Accounts Payable	(days)		36.1	36.6	36.0	36.4	36.5	35.5	36.0
Accrued liabilities	(days)		72.2	73.6	72.5	72.8	73.0	73.2	73.5
Income taxes payable	(days)		3.0	6.9	5.0	5.0	5.0	5.5	5.5
Account Balances									
Accounts Receivable	(\$ MM)		4,131	4,427	4,007	4,076	4,518	4,757	5,025
Inventories	(\$ MM)		8,454	7,519	7,822	8,000	8,320	8,815	9,040
Prepaid Expenses	(\$ MM)		1,942	1,854	1,877	1,843	1,880	1,996	2,130
Accounts Payable	(\$ MM)		2,862	2,851	2,816	2,855	2,920	2,952	3,129
Accrued liabilities	(\$ MM)		5,723	5,725	5,671	5,710	5,840	6,087	6,389
Income taxes payable	(\$ MM)		240	534	391	392	400	457	478
Net Working Capital	(\$ MM)		5,702	4,690	4,828	4,962	5,558	6,071	6,198
Change in Working Capital	(\$ MM)				\$1,012	(\$138)	(\$134)	(\$596)	(\$514)
									(\$127)

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## Intangibles and Goodwill Schedule

(\$ Millions)

	2022A	2023A	2024A	Projected				
				2025	2026	2027	2028	2029
Amortization-%								
Impairment-%								
Intangibles-Beginning				259	243	229	215	202
Goodwill-Beginning				240	204	173	147	125
Amortization, impairment and other	123	156	48	52	45	40	35	31
Intangibles-Ending			\$259	\$243	\$229	\$215	\$202	\$190
Goodwill-Ending			\$240	\$204	\$173	\$147	\$125	\$106



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## Debt and Interest Schedule

(\$ Millions)

		<i>Projected</i>				
	2024A	2025	2026	2027	2028	2029
<b>FINANCING COMPONENT</b>						
<b>Cash</b>						
Amount Outstanding - Beginning		9,860	8,738	8,284	7,655	9,735
Change in Cash		-1,122	-454	-628	2,080	2,796
Amount Outstanding - Ending	\$9,860	\$8,738	\$8,284	\$7,655	\$9,735	\$12,531
Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%
<b>Annual Interest Income</b>		<b>\$99</b>	<b>\$87</b>	<b>\$83</b>	<b>\$77</b>	<b>\$97</b>
<b>Notes-Credit lines</b>						
Operating Cash Flow		6,756	6,687	6,970	8,289	9,958
Investing Cash Flow		-68	-43	-130	-135	-489
Current portion of long-term debt		-1,000	0	-2,000	0	0
Proceeds from exercise of stock options and other stock issuances		823	714	735	757	735
Other financing activities		-130	-123	-129	-127	-126
Effect of exchange rate changes on cash		-83	-63	-54	-67	-62
Common Stock Issuance / (Buy-back)		-4,500	-4,500	-2,500	-2,500	-2,500
Dividends		-2,914	-3,126	-3,520	-4,137	-4,720
<b>FCF After Mandatory Debt Repayment and Dividend</b>		<b>(\$1,116)</b>	<b>(\$454)</b>	<b>(\$628)</b>	<b>\$2,080</b>	<b>\$2,796</b>
Notes Outstanding - Beginning		6	0	0	0	0
Additions / (Repayments)		-6	0	0	0	0
Notes Outstanding - Ending	\$6	\$0	\$0	\$0	\$0	\$0
Interest Rate		5.0%	5.0%	5.0%	5.0%	5.0%
<b>Annual Interest Expense</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Long term debt</b>						
Amount Outstanding - Beginning		8,903	7,903	7,903	5,903	5,903
Additions / (Repayments)		-1,000	0	-2,000	0	0
Amount Outstanding - Ending	\$8,903	\$7,903	\$7,903	\$5,903	\$5,903	\$5,903
Interest Rate		3.0%	3.0%	3.0%	3.0%	3.0%
<b>Annual Interest Expense</b>		<b>\$267</b>	<b>\$237</b>	<b>\$237</b>	<b>\$177</b>	<b>\$177</b>
<b>Net Interest Expense</b>		<b>\$169</b>	<b>\$150</b>	<b>\$154</b>	<b>\$101</b>	<b>\$80</b>

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## Shareholders' Equity Schedule

(\$ Millions)

		<i>Projected</i>				
	2024A	2025	2026	2027	2028	2029
<b>Capital in Excess of Stated Value</b>						
Amount Outstanding - Beginning		13,409	14,245	15,095	15,974	16,903
Additions-Stock based compensation		836	850	879	929	978
Amount Outstanding - Ending	\$13,409	\$14,245	\$15,095	\$15,974	\$16,903	\$17,881
Dividend Payout Rate		50.0%	50.0%	50.0%	50.0%	50.0%
Net Income		5,828	6,253	7,039	8,274	9,441
<b>Dividends</b>		<b>\$2,914</b>	<b>\$3,126</b>	<b>\$3,520</b>	<b>\$4,137</b>	<b>\$4,720</b>
<b>Retained Earnings</b>						
Amount Outstanding - Beginning		965	202	-458	1,296	3,690
Net Income		5,828	6,253	7,039	8,274	9,441
Proceeds from the exercise of stock options and other issuances		823	714	735	757	735
New Issuance / (Buy-Back)		-4,500	-4,500	-2,500	-2,500	-2,500
Dividend		-2,914	-3,126	-3,520	-4,137	-4,720
<b>Amount Outstanding - Ending</b>	<b>\$965</b>	<b>\$202</b>	<b>(\$458)</b>	<b>\$1,296</b>	<b>\$3,690</b>	<b>\$6,646</b>

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## Valuation-Discounted FCF &amp; P/E Method

(\$ Millions)

WACC	9%
Tax Rate	15%
Growth rate, g	2%
Weighted avg diluted shares outstanding	1,530
P/E Multiple	20

	Projected						
	2024	2025	2026	2027	2028	2029	TV_2029
EBIT		7,025	7,506	8,436	9,834	11,186	
Depreciation		275	271	268	265	264	
Amortization		16	15	14	13	12	
CAPEX		209	213	220	232	245	
Change in working captial		138	134	596	514	127	
FCF		5,915	6,320	6,637	7,892	9,413	137,158
Discounted FCF		5,427	5,319	5,125	5,591	6,118	89,144

<b>Enterprise Value</b>	<b>116,722</b>
Debt	8,903
Cash	9,860
<b>Equity Value</b>	<b>117,679</b>

Intrinsic Share Price-DCF method	\$76.9
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P/E Multiple	20
Net Income	5,828
<b>Equity Value</b>	<b>116,563</b>

Intrinsic Share Price-P/E method	\$76.2
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