

## VALUE LINE

		Target Price	Range
		2023	2024 2025
			160
			120
			100
			80

	THIS STOCK	VL ARITH.* INDEX
1 yr.	35.0	0.8
3 yr.	150.1	7.9
5 yr.	116.1	47.8

<b>CAPITAL STRUCTURE as of 8/31/20</b>	19014	20862	24128	25313	27799	30601	32376	34350	36397	39117	37403	<b>41950</b>	Sales (\$mill) ^A	<b>56500</b>
Total Debt \$9546 mill.	Due in 5 Yrs \$4800 mill.	14.7%	15.1%	14.1%	14.6%	15.1%	15.6%	15.9%	14.3%	14.0%	11.3%	<b>14.2%</b>	Operating Margin	<b>19.0%</b>
LT Debt \$9408 mill.	LT Interest \$515 mill. (51% of Capital)	323.7	335.0	373.0	438.0	518.0	606.0	649.0	706.0	747.0	721.0	<b>725</b>	Depreciation (\$mill)	<b>900</b>
		1906.7	2133.0	2223.0	2464.0	2693.0	3273.0	3760.0	4240.0	3974.0	4029.0	<b>2937.0</b>	Net Profit (\$mill)	<b>9450</b>
Leases, Uncapitalized Annual rentals \$553 mill.		24.2%	25.0%	25.5%	24.7%	24.0%	22.2%	18.7%	13.2%	8.1%	16.1%	10.6%	Income Tax Rate	<b>21.0%</b>
No Defined Benefit Pension Plan		10.0%	10.2%	9.2%	9.7%	9.7%	10.7%	11.6%	12.3%	10.9%	10.3%	7.9%	Net Profit Margin	<b>16.7%</b>
Preferred Stock None		7595.0	7339.0	7666.0	9700.0	8669.0	9642.0	9667.0	10587	9094.0	8659.0	12272	Working Cap'l (\$mill)	<b>15000</b>
Common Stock 1,555,372,768 shares		445.8	276.0	228.0	1210.0	1199.0	1079.0	2010.0	3471.0	3468.0	3464.0	9406.0	Long-Term Debt (\$mill)	<b>5000</b>
Class A shares: 315,017,252		9753.7	9843.0	10381	11156	10824	12707	12258	12407	9812.0	9040.0	8055.0	Shr. Equity (\$mill)	<b>13500</b>
Class B shares: 1,240,355,515		18.7%	21.1%	21.0%	20.0%	22.6%	23.8%	26.5%	26.9%	30.3%	32.7%	17.6%	Return on Total Cap'l	<b>52.0%</b>
		19.5%	21.7%	21.4%	22.1%	24.9%	25.8%	30.7%	34.2%	40.5%	44.6%	36.5%	Return on Shr. Equity	<b>70.0%</b>
MARKET CAP: \$201 billion (Large Cap)		14.4%	16.0%	15.5%	15.8%	17.5%	18.7%	22.3%	25.0%	27.8%	29.8%	18.4%	Retained to Com Eq	<b>54.5%</b>
CURRENT POSITION	2019    2020    8/31/20	27%	26%	28%	29%	30%	27%	27%	27%	31%	33%	49%	All Div'ds to Net Prof	<b>22%</b>

is another product line for kids. Has about 76,700 employees (including part-timers). Swosh, LLC, owns 74.9% Cl. A shares, 15.9% Cl. B; offs./dirs., 3.8% of Cl. B; Vanguard, 8.6%; BlackRock, 7.2% (7/20 proxy). Chairman: Mark G. Parker. CEO: John Donahoe. Inc.: Oregon. Addr.: One Bowerman Drive, Beaverton, OR 97005. Tel.: 503-671-6453. Internet: [www.nikeinc.com](http://www.nikeinc.com).

**faded fast.** Several quarters ago there was a poor reading from the company's vital North American business. The selloff following this disclosure proved to be much ado about nothing, but at the time a failure to connect with the youth of America was cited. The swoosh poured money into its Web site and made customization a priority to appease the millennial generation and sales in this region perked up in tandem. In early October, a survey revealed that NIKE has maintained its top-ranking for apparel brands among teenagers, a title it has held for a decade now. In fact, its market share in this space was up four percentage points, to 27%.

All the good news looks to be already baked into this high-quality, neutrally ranked, selection's quotation. NIKE is the cream of the crop in the shoe industry and deserves a handsome premium as a result. Still, the lofty price tag sits well within our Target Price Range three to five years hence. This leaves very little long-term appreciation potential for new accounts.

*Erik M. Manning*                      *October 23, 2020*

	<b>Company's Financial Strength</b>	A++
	<b>Stock's Price Stability</b>	75
	<b>Price Growth Persistence</b>	85
	<b>Earnings Predictability</b>	85

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