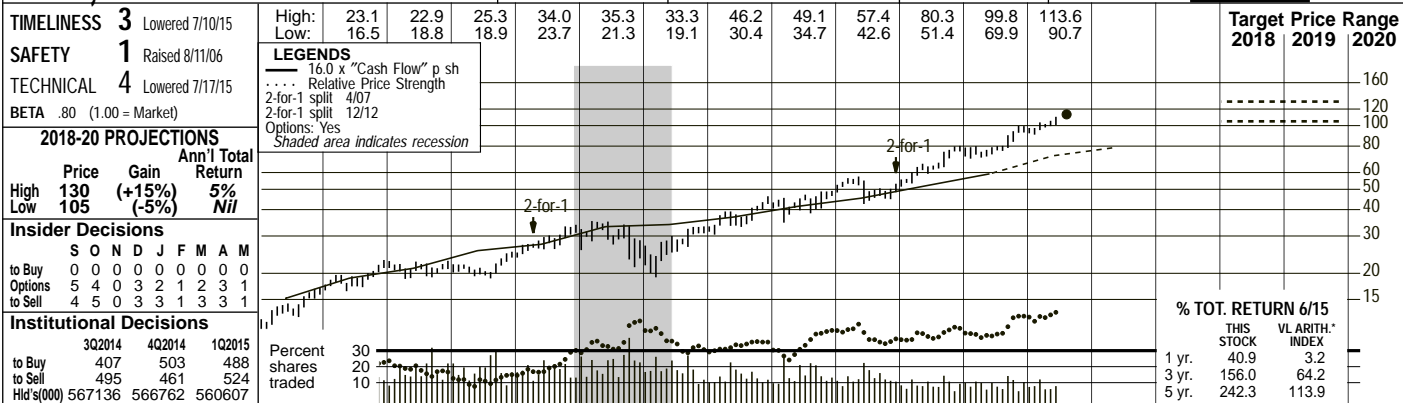


NIKE, INC. 'B' NYSE-NKE		RECENT PRICE	112.99	P/E RATIO	29.2 (Trailing: 30.5 Median: 18.0)	RELATIVE P/E RATIO	1.55	DIV'D YLD	1.0%	VALUE LINE
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1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
7.77	8.34	8.83	9.29	10.15	11.64	13.08	14.44	16.20	18.96	19.75	19.64	21.94	26.34	28.31	31.95	35.65	37.90	Sales per sh ^A	52.25
.63	.74	.75	.89	.95	1.18	1.32	1.60	1.72	2.07	2.12	2.30	2.60	2.83	3.25	3.69	4.50	4.95	"Cash Flow" per sh	7.25
.42	.53	.54	.62	.69	.88	1.12	1.32	1.43	1.72	1.76	1.93	2.20	2.37	2.69	2.97	3.70	4.10	Earnings per sh ^{AB}	6.20
.12	.12	.12	.12	.14	.19	.24	.30	.36	.44	.49	.53	.60	.70	.81	.93	1.08	1.18	Div'ds Decl'd per sh ^{CA}	1.80
.34	.39	.30	.27	.18	.20	.24	.32	.31	.46	.47	.35	.45	.65	.71	1.01	1.15	1.05	Cap'l Spending per sh	1.25
2.95	2.91	3.25	3.61	3.78	4.54	5.37	6.07	6.97	7.97	8.95	10.08	10.35	11.33	12.48	12.44	14.80	16.95	Book Value per sh	22.30
1129.2	1078.4	1074.4	1064.4	1054.4	1052.4	1050.4	1036.0	1007.6	982.20	971.00	968.00	951.00	916.00	894.00	870.00	858.00	850.00	Common Shs Outst'g ^{FG}	800.00
28.1	22.7	20.2	21.2	17.1	18.4	17.9	16.0	16.4	17.8	15.3	16.4	18.2	20.4	19.4	24.2	24.4		Avg Ann'l P/E Ratio	19.0
1.60	1.48	1.04	1.16	.97	.97	.95	.86	.87	1.07	1.02	1.04	1.14	1.30	1.09	1.27	1.24		Relative P/E Ratio	1.20
1.0%	1.0%	1.1%	.9%	1.1%	1.1%	1.2%	1.4%	1.5%	1.4%	1.8%	1.7%	1.5%	1.4%	1.5%	1.3%	1.2%		Avg Ann'l Div'd Yield	1.5%

CAPITAL STRUCTURE as of 5/31/15		13740	14955	16326	18627	19176	19014	20862	24128	25313	27799	30601	32210	Sales (\$mill) ^A	41800
Total Debt \$1260 mill. Due in 5 Yrs \$246 mill.		13.8%	16.0%	14.7%	14.7%	14.5%	14.7%	15.1%	14.1%	14.6%	15.1%	15.6%	16.0%	Operating Margin	17.5%
LT Debt \$1079 mill. LT Interest \$36.0 (8% of Capital)		257.2	282.0	269.7	303.6	335.0	323.7	335.0	373.0	438.0	518.0	590	630	Depreciation (\$mill)	760
Leases, Uncapitalized Annual rentals \$427 mill.		1211.6	1392.0	1458.3	1734.1	1727.4	1906.7	2133.0	2223.0	2464.0	2693.0	3273.0	3585	Net Profit (\$mill)	5020
No Defined Benefit Pension Plan		34.9%	35.0%	33.7%	30.7%	26.7%	24.2%	25.0%	25.5%	24.7%	24.0%	22.2%	24.0%	Income Tax Rate	24.0%
Preferred Stock None		8.8%	9.3%	8.9%	9.3%	9.0%	10.0%	10.2%	9.2%	9.7%	9.7%	10.7%	11.1%	Net Profit Margin	12.0%
Common Stock 859,747,555 shares (178 mill. Class A shares; 682 mill. Class B shares.) as of 4/2/15		4351.9	4735.7	5492.5	5517.8	6457.0	7595.0	7339.0	7666.0	9700.0	8669.0	9642.0	10300	Working Cap'l (\$mill)	13370
MARKET CAP: \$97.1 billion (Large Cap)		687.3	410.7	409.9	441.1	437.2	445.8	276.0	228.0	1210.0	1199.0	1079.0	1000	Long-Term Debt (\$mill)	900
		5644.2	6285.2	7025.4	7825.3	8693.1	9753.7	9843.0	10381	11156	10824	12707.0	14420	Share Equity (\$mill)	17850
		19.2%	20.8%	19.9%	21.2%	19.1%	18.7%	21.1%	21.0%	20.0%	22.6%	24.0%	23.5%	Return on Total Cap'l	27.0%
		21.5%	22.1%	20.8%	22.2%	19.9%	19.5%	21.7%	21.4%	22.1%	24.9%	25.8%	25.0%	Return on Shr. Equity	28.0%
		15.8%	17.2%	15.9%	16.9%	14.5%	14.4%	16.0%	15.5%	15.8%	17.5%	18.5%	17.5%	Retained to Com Eq	20.0%
		26%	22%	24%	24%	27%	27%	26%	28%	29%	30%	29%	29%	All Div'ds to Net Prof	29%

CURRENT POSITION		2013	2014	5/31/15
(SMILL.)				
Cash Assets	5965	5142	5924	
Receivables	3117	3434	3358	
Inventory (LIFO)	3434	3947	4337	
Other	1110	1173	2357	
Current Assets	13626	13696	15976	
Accts Payable	1646	1930	2131	
Debt Due	178	174	181	
Other	2102	2923	4022	
Current Liab.	3926	5027	6334	

ANNUAL RATES		Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
of change (per sh)				
Sales	11.0%	9.5%	12.5%	
"Cash Flow"	12.5%	10.5%	17.5%	
Earnings	14.0%	10.5%	18.5%	
Dividends	18.5%	13.5%	17.5%	
Book Value	12.0%	8.5%	13.0%	

Fiscal Year Ends		QUARTERLY SALES (\$ mill.) ^A				Full Fiscal Year
		Aug.31	Nov.30	Feb.28	May 31	
2012	6081	5731	5846	6470	24128	
2013	6474	5955	6187	6697	25313	
2014	6971	6431	6972	7425	27799	
2015	7982	7380	7460	7779	30601	
2016	8150	7620	7980	8460	32210	

Fiscal Year Ends		EARNINGS PER SHARE ^{AB}				Full Fiscal Year
		Aug.31	Nov.30	Feb.28	May 31	
2012	.68	.50	.60	.59	2.37	
2013	.63	.57	.73	.76	2.69	
2014	.86	.59	.75	.78	2.97	
2015	1.09	.74	.89	.98	3.70	
2016	1.15	.85	1.05	1.05	4.10	

Cal-endar		QUARTERLY DIVIDENDS PAID ^{CA}				Full Year
		Mar.31	Jun.30	Sep.30	Dec.31	
2011	-.00	.155	.155	.155	.47	
2012	.18	.18	.19	.39 ^E	.93	
2013	-.11	.21	.21	.21	.63	
2014	.24	.24	.24	.24	.96	
2015	.28	.28	.28			

(A) Fiscal years end May 31st. (B) Diluted earnings. Excludes nonrecurring: '99, (5¢); '03, (50¢); '07, 4¢; '08, 15¢; '09, (25¢); '13, 2¢. Quarterly EPS may not sum due to change in share count. Next earnings report due late September. (C) Dividends historically paid in early January, April, July, and October. (D) Reinvestment plan available. (E) Paid 15.5¢ dividend in December of prior year. (F) Includes 21¢ dividend paid December 26th. (G) In millions, adjusted for splits. (H) Each share of Class A is convertible to one share of Class B.		Company's Financial Strength A++	
		Stock's Price Stability 85	
		Price Growth Persistence 100	
		Earnings Predictability 100	

NIKE finished fiscal 2015 strongly, though much of the upside surprise in earnings was due to items below the operating line. Fourth-quarter (ended May 31st) sales were up 13% on a constant-currency basis. Growth came from all geographic regions and product categories except for Emerging Markets and Global Football, respectively. This reflected the benefits of the World Cup soccer tournament a year earlier, rather than the bribery scandal now enveloping the sport. (As an aside, NIKE recently won the apparel rights to outfit the NBA starting in 2017, which locks its dominance in the basketball arena.) Share net came in at \$0.98, compared to our \$0.83 estimate. A reduced share count added one cent, while a lower tax rate (reflecting adjustment for prior quarters) contributed \$0.07. Also, other income was \$58 million, versus an expense of \$17 million a year earlier, thanks to currency hedging gains. This kept the pretax loss related to currency changes (including translation losses) to \$37 million, or \$0.05 a share better than our expectation. At current exchange rates, hedging gains would be \$200 million

in fiscal 2016. That accounts for half of our \$0.25 increase in the share-net call to \$4.10, with a higher estimate for gross margin responsible for the balance. Currency-neutral future orders on May 31st were up 13%, which is impressive. However, inventory was up 10%, while reported futures were up 2%.

A higher mix of direct-to-consumer (DTC) business is a driving force behind gross margin expansion. In fiscal 2015, DTC sales jumped 29% (wholesale increased 10%), with same-store gains of 16%, online sales up 59%, and store-count (measured at yearend) growth of 8%. DTC business in China surged 52% for the May period, showcasing a successful reset in product and stores. DTC sales have significantly higher gross margins, partially offset by SG&A expenses.

The stock's longer-term appreciation potential is subpar. At the recent quotation, the valuation is well above the historic average and that of the group. Moreover, we see encroaching competition from the likes of Skechers and Under Armour, which are growing more rapidly.

Craig Sirois July 31, 2015