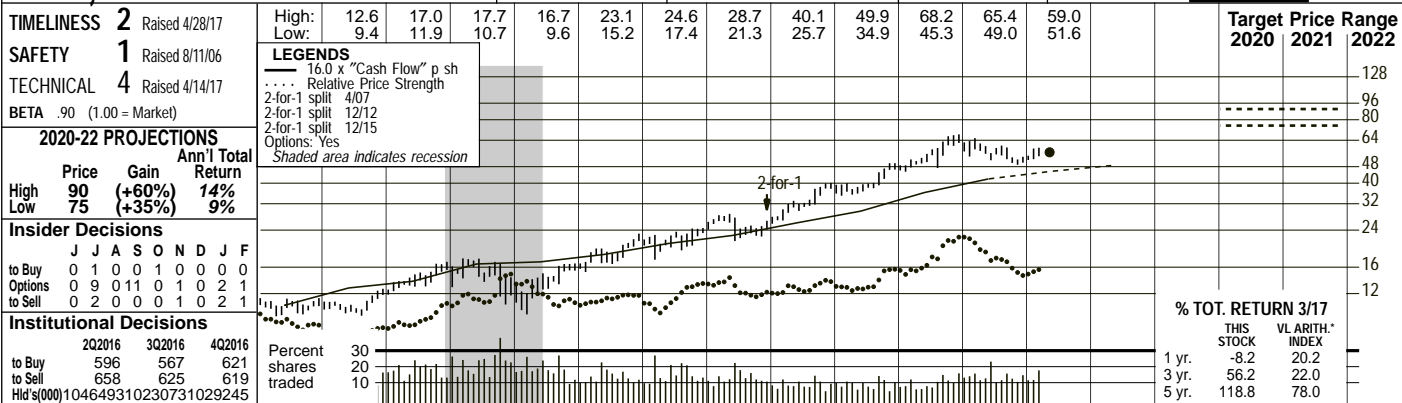


# NIKE, INC. 'B' NYSE-NKE

RECENT PRICE **56.11** P/E RATIO **23.9** (Trailing: 23.4 Median: 19.0) RELATIVE P/E RATIO **1.22** DIV'D YLD **1.3%** **VALUE LINE**



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
4.42	4.65	5.07	5.82	6.54	7.22	8.10	9.48	9.87	9.82	10.97	13.17	14.16	15.98	17.85	19.25	<b>20.80</b>	<b>22.55</b>	Sales per sh <sup>A</sup>	<b>32.25</b>
.37	.44	.48	.59	.66	.80	.86	1.04	1.06	1.15	1.30	1.42	1.62	1.85	2.26	2.62	<b>2.85</b>	<b>3.05</b>	"Cash Flow" per sh	<b>4.80</b>
.27	.31	.35	.44	.56	.66	.72	.86	.88	.97	1.10	1.18	1.35	1.49	1.85	2.16	<b>2.40</b>	<b>2.60</b>	Earnings per sh <sup>AB</sup>	<b>4.20</b>
.06	.06	.07	.09	.12	.15	.18	.22	.25	.27	.30	.35	.41	.47	.52	.62	<b>.72</b>	<b>.80</b>	Div'ds Decl'd per sh <sup>CD</sup>	<b>1.08</b>
.15	.13	.09	.10	.12	.16	.16	.23	.23	.17	.23	.33	.36	.51	.56	.68	<b>.65</b>	<b>.70</b>	Cap'l Spending per sh	<b>.90</b>
1.63	1.80	1.89	2.27	2.69	3.03	3.49	3.98	4.48	5.04	5.18	5.67	6.24	6.22	7.41	7.29	<b>7.90</b>	<b>8.60</b>	Book Value per sh	<b>13.25</b>
2148.8	2128.8	2108.8	2104.8	2100.8	2072.0	2015.2	1964.4	1942.0	1936.0	1902.0	1832.0	1788.0	1740.0	1714.0	1682.0	<b>1650.0</b>	<b>1625.0</b>	Common Shs Outst'g <sup>EF</sup>	<b>1550.0</b>
20.2	21.2	17.1	18.4	17.9	16.0	16.5	17.8	15.3	16.4	18.2	20.4	19.4	24.2	24.4	27.5	<b>28.0</b>	<b>27.5</b>	Avg Ann'l P/E Ratio	<b>20.0</b>
1.04	1.16	.97	.97	.95	.86	.88	1.07	1.02	1.04	1.14	1.30	1.09	1.27	1.23	1.44	<b>1.44</b>	<b>1.44</b>	Relative P/E Ratio	<b>1.25</b>
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%	1.0%	<b>1.0%</b>	<b>1.0%</b>	Avg Ann'l Div'd Yield	<b>1.3%</b>

CAPITAL STRUCTURE as of 2/28/17				2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
Total Debt \$3501 mill. Due in 5 Yrs \$400 mill.				16326	18627	19176	19014	20862	24128	25313	27799	30601	32376	<b>34300</b>	<b>36600</b>	Sales (\$mill) <sup>A</sup>	<b>50000</b>						
LT Debt \$3472 mill. LT Interest \$195 mill.				14.7%	14.7%	14.5%	14.7%	15.1%	14.1%	14.6%	15.1%	15.6%	15.9%	<b>16.2%</b>	<b>16.6%</b>	Operating Margin	<b>18.6%</b>						
(21% of Capital)				269.7	303.6	335.0	323.7	335.0	373.0	438.0	518.0	606.0	649.0	<b>700</b>	<b>750</b>	Depreciation (\$mill)	<b>900</b>						
Leases, Uncapitalized Annual rentals \$491 mill.				1458.3	1734.1	1727.4	1906.7	2133.0	2223.0	2464.0	2693.0	3273.0	3760.0	<b>3960</b>	<b>4225</b>	Net Profit (\$mill)	<b>6510</b>						
No Defined Benefit Pension Plan				33.7%	30.7%	26.7%	24.2%	25.0%	25.5%	24.7%	24.0%	22.2%	18.7%	<b>19.0%</b>	<b>18.7%</b>	Income Tax Rate	<b>22.0%</b>						
Preferred Stock None				8.9%	9.3%	9.0%	10.0%	10.2%	9.2%	9.7%	9.7%	10.7%	11.6%	<b>11.5%</b>	<b>11.5%</b>	Net Profit Margin	<b>13.0%</b>						
Common Stock 1,650,766,552 shares				5492.5	5517.8	6457.0	7595.0	7339.0	7666.0	9700.0	8669.0	9642.0	9667.0	<b>11300</b>	<b>12000</b>	Working Cap'l (\$mill)	<b>14000</b>						
Class A shares: 329,245,752				409.9	441.1	437.2	445.8	276.0	228.0	1210.0	1199.0	1079.0	2010.0	<b>3300</b>	<b>3100</b>	Long-Term Debt (\$mill)	<b>2500</b>						
Class B shares: 1,321,520,800				7025.4	7825.3	8693.1	9753.7	9843.0	10381	11156	10824	12707	12258	<b>13000</b>	<b>14000</b>	Shr. Equity (\$mill)	<b>18000</b>						
MARKET CAP: \$92.6 billion (Large Cap)				19.9%	21.2%	19.1%	18.7%	21.1%	21.0%	20.0%	22.6%	23.8%	26.5%	<b>25.0%</b>	<b>25.0%</b>	Return on Total Cap'l	<b>32.0%</b>						
CURRENT POSITION 2015 2016 2/28/17				20.8%	22.2%	19.9%	19.5%	21.7%	21.4%	22.1%	24.9%	25.8%	30.7%	<b>30.5%</b>	<b>30.0%</b>	Return on Shr. Equity	<b>36.0%</b>						
(SMILL.)				15.9%	16.9%	14.5%	14.4%	16.0%	15.5%	15.8%	17.5%	18.7%	22.3%	<b>21.5%</b>	<b>21.0%</b>	Retained to Com Eq	<b>27.0%</b>						
Cash Assets				24%	24%	27%	27%	26%	28%	29%	30%	27%	27%	<b>30%</b>	<b>31%</b>	All Div'ds to Net Prof	<b>26%</b>						
Receivables				5924	5457	6160																	
Inventory (LIFO)				3358	3241	3752																	
Other				4337	4838	4932																	
Current Assets				2357	1489	1361																	
Accts Payable				15976	15025	16205																	
Debt Due				2131	2191	1938																	
Other				181	45	29																	
Current Liab.				4022	3122	3304																	
				6334	5358	5271																	

**BUSINESS:** NIKE designs, develops, and markets footwear, apparel, equipment, and accessories. Sells products to retail accounts, through NIKE-owned stores and the Internet, and through a mix of independent distributors and licensees in approximately 190 countries. Has 362 domestic and 683 international locations (including factory stores) as of 5/31/16. Has about 70,700 employees (including part-timers). Swoosh, LLC, owns 78.1% Cl. A shares, 16.0% Cl. B (representing director Travis Knight's holdings); other officers/directors, 3.9% of Cl. B; The Vanguard Group, 6.4%; FMR LLC, 6.2%; BlackRock, 5.9% (7/16 proxy). Chairman & CEO: Mark G. Parker. Inc.: OR. Address: One Bowerman Dr., Beaverton, OR 97005. Tel.: 503-671-6453. Internet: www.nikeinc.com.

**NIKE's earnings growth should be about 11% in fiscal 2017.** (Years end May 31st.) The February-quarter showing was a mixed bag. Earnings bested expectations, and revenues missed the mark. The market backdrop is not ideal for the swoosh; rivals are increasing their presence/advertising, foot traffic in stores is tapering in favor of online shopping, and discounting is rampant. Still, we think the company will be able to push the EPS needle to \$2.40 this fiscal year. For next year, a trimmed product lineup in response to the changing dynamics of the retail scene, added to a potentially small decrease in market share, will likely result in an annual bottom-line gain in the single digits on a percentage basis (8%), to \$2.60. Make no mistake, we think NIKE will remain the dominant name in this category when the dust settles, as evident by our stronger growth picture for the stretch to early next decade.

**Competition in this arena remains at a fever pitch.** Notably, Adidas and Under Armour are trying to eat the company's lunch, particularly in the North American space. Moreover, the attack is being launched via the basketball world. The swoosh continues to boast an impressive roster of NBA players on its spokesman list, but peers have inked high-profile names that have upped their visibility in the sneaker world and beyond. Elsewhere, NIKE has exited the golf equipment business, but will remain in the clothing side of that coin. A new ad campaign featuring golfer Jason Day is getting that message out effectively at this time.

**Getting products to market the quickest will be vital, and NIKE has the innovation to do just that.** Fast fashion is becoming the name of the game, as customers are more fickle than ever. The company's creation cycle is being tightened up dramatically. And, the end-to-end time frame will also be lesser. Competitors can mimic and follow suit, but NIKE has a leg up on them due to its size/scope.

**This high-quality, timely selection is also suited for investors with an eye out to 2020-2022.** The Dow component has an impeccable Safety rank and Financial Strength rating. Too, finances support dividend growth over that pull.

*Erik M. Manning*  
*April 28, 2017*

(A) Fiscal years end May 31st. (B) Diluted earnings. Excludes nonrecurring: '03, (25c); '07, 2c; '08, 8c; '09, (13c); '13, 1c. Quarterly EPS may not sum due to change in share count. Next earnings report due late June.	(C) Dividends historically paid in early January, April, July, and October. ■ Reinvestment plan available.	(D) Includes 21¢ dividend paid December 2012. (E) In millions, adjusted for splits.	(F) Each share of Class A is convertible to one share of Class B.	Company's Financial Strength	A++
				Stock's Price Stability	80
				Price Growth Persistence	100
				Earnings Predictability	100