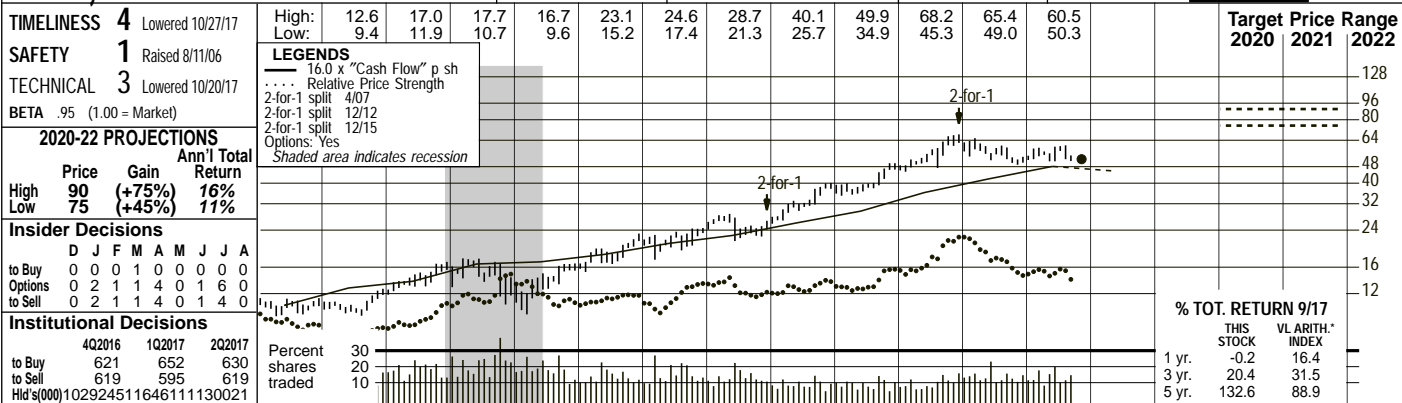


NIKE, INC. 'B' NYSE-NKE

RECENT PRICE **52.00** P/E RATIO **22.9** (Trailing: 22.1 Median: 20.0) RELATIVE P/E RATIO **1.14** DIV'D YLD **1.4%** 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	20.91	22.05	Sales per sh ^A	31.95
.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	3.01	2.85	"Cash Flow" per sh	4.75
.27	.31	.35	.44	.56	.66	.72	.86	.88	.97	1.10	1.18	1.35	1.49	1.85	2.16	2.51	2.40	Earnings per sh ^{AB}	4.15
.06	.06	.07	.09	.12	.15	.18	.22	.25	.27	.30	.35	.41	.47	.52	.62	.70	.80	Div'ds Decl'd per sh ^{CD}	1.08
.15	.13	.09	.10	.12	.16	.16	.23	.23	.17	.23	.33	.36	.51	.56	.68	.67	.70	Cap'l Spending per sh	.90
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	7.55	7.90	Book Value per sh	10.50
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	1643.0	1625.0	Common Shs Outst'g ^{EF}	1550.0
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	21.6		Avg Ann'l P/E Ratio	20.0
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	1.08		Relative P/E Ratio	1.25
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%	1.3%		Avg Ann'l Div'd Yield	1.3%

CAPITAL STRUCTURE as of 8/31/17				2001-2017													2018		20-22	
Total Debt \$3814 mill. Due in 5 Yrs \$500 mill.				16326	18627	19176	19014	20862	24128	25313	27799	30601	32376	34350	35800	Sales (\$mill) ^A	49500			
LT Debt \$3472 mill. LT Interest \$190 mill. (21% of Capital)				14.7%	14.7%	14.5%	14.7%	15.1%	14.1%	14.6%	15.1%	15.6%	15.9%	15.9%	16.0%	Operating Margin	18.5%			
Leases, Uncapitalized Annual rentals \$491 mill. No Defined Benefit Pension Plan				269.7	303.6	335.0	323.7	335.0	373.0	438.0	518.0	606.0	649.0	706.0	760	Depreciation (\$mill)	925			
Preferred Stock None				1458.3	1734.1	1727.4	1906.7	2133.0	2223.0	2464.0	2693.0	3273.0	3760.0	4240.0	3900	Net Profit (\$mill)	6435			
Common Stock 1,631,518,452 shares				33.7%	30.7%	26.7%	24.2%	25.0%	25.5%	24.7%	24.0%	22.2%	18.7%	13.2%	19.0%	Income Tax Rate	21.0%			
Class A shares: 329,245,752				8.9%	9.3%	9.0%	10.0%	10.2%	9.2%	9.7%	9.7%	10.7%	11.6%	12.3%	10.9%	Net Profit Margin	13.0%			
Class B shares: 1,302,272,700				5492.5	5517.8	6457.0	7595.0	7339.0	7666.0	9700.0	8669.0	9642.0	9667.0	10587	11000	Working Cap'l (\$mill)	13000			
MARKET CAP: \$84.8 billion (Large Cap)				409.9	441.1	437.2	445.8	276.0	228.0	1210.0	1199.0	1079.0	2010.0	3471.0	3300	Long-Term Debt (\$mill)	2750			
CURRENT POSITION 2016 2017 8/31/17				7025.4	7825.3	8693.1	9753.7	9843.0	10381	11156	10824	12707	12258	12407	12800	Shr. Equity (\$mill)	16300			
				19.9%	21.2%	19.1%	18.7%	21.1%	21.0%	20.0%	22.6%	23.8%	26.5%	26.9%	25.0%	Return on Total Cap'l	34.0%			
				20.8%	22.2%	19.9%	19.5%	21.7%	21.4%	22.1%	24.9%	25.8%	30.7%	34.2%	30.5%	Return on Shr. Equity	39.5%			
				15.9%	16.9%	14.5%	14.4%	16.0%	15.5%	15.8%	17.5%	18.7%	22.3%	25.0%	20.5%	Retained to Com Eq	29.0%			
				24%	24%	27%	27%	26%	28%	29%	30%	27%	27%	27%	33%	All Div'ds to Net Prof	26%			

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 384 domestic and 758 international locations (including factory stores) as of 5/31/17. Has about 74,400 employees (including part-timers). Swoosh, LLC, owns 78.1% Cl. A shares, 16.4% Cl. B (representing director Travis Knight's holdings); other officers/directors, 3.9% of Cl. B; The Vanguard Group, 7.0%; BlackRock, 5.9% (7/17 proxy). Chairman & CEO: Mark G. Parker. Inc.: Oregon. Address: One Bowerman Drive, Beaverton, OR 97005. Telephone: 503-671-6453. Internet: www.nikeinc.com.

NIKE's first-quarter report led to a slow-but-steady dip in its quotation. (Fiscal years end May 31st.) Sales were strong in international geographies, but North American wholesale revenues tapered on a year-over-year basis. Moreover, the company went to the discounting well too much, which led to a noticeable earnings miss. Heavy spending on direct-to-consumer options also took a bite out of the bottom line. All told, EPS registered \$0.57, missing both our and Wall Street's call by roughly \$0.20. Efforts to trim the cost structure are in full swing, but it's likely shareholders will not look back fondly on results this fiscal year at the swoosh. **Earnings for fiscal 2018 are now likely to only peak at about \$2.40 a share.** That figure is a full \$0.35 below our initial call, and below the \$2.51 posted in fiscal 2017. The groundwork needs to be laid for the transitioning retail space, which NIKE is doing via its direct-to-consumer option and its pairing up with Amazon. Those types of expenditures do not usually draw the ire of the investment community. Conversely, the declining revenue picture is troubling. Top-line growth in the first quarter was flat, and our full-year tally is being cut from \$37.0 billion, to \$35.8 billion, given the struggles in the domestic market. Skateboarding sneakers are pilfering some market share, and bloating inventory, which in turn leads to mark-downs, a scenario NIKE needs to limit. **Recent survey data from teenagers are not good for NIKE.** Not only is the swoosh losing some of its luster with the demographic, rival Adidas is on the rise. In fact, Adidas has passed NIKE's Jordan brand to move into the number-two position in sports footwear. Still, the eponymous NIKE brand maintains the top spot. The start of the NBA season should provide a bounce, as it has a number of top stars in that sport under contracts. Separately, the U.S. soccer team missing out on the World Cup in Russia comes at a time when results are struggling, but the overall impact of this situation was initially overblown in the media. **This blue chip is now untimely.** But the recent haircut has made this selection attractive as a total return play for the stretch to early next decade. *Erik M. Manning* *October 27, 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 egs. report due late December.	(C) Dividends historically paid in early January, April, July, and October. ■ Reinvestment plan available.	(D) Includes 21c 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 95	Earnings Predictability 100
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