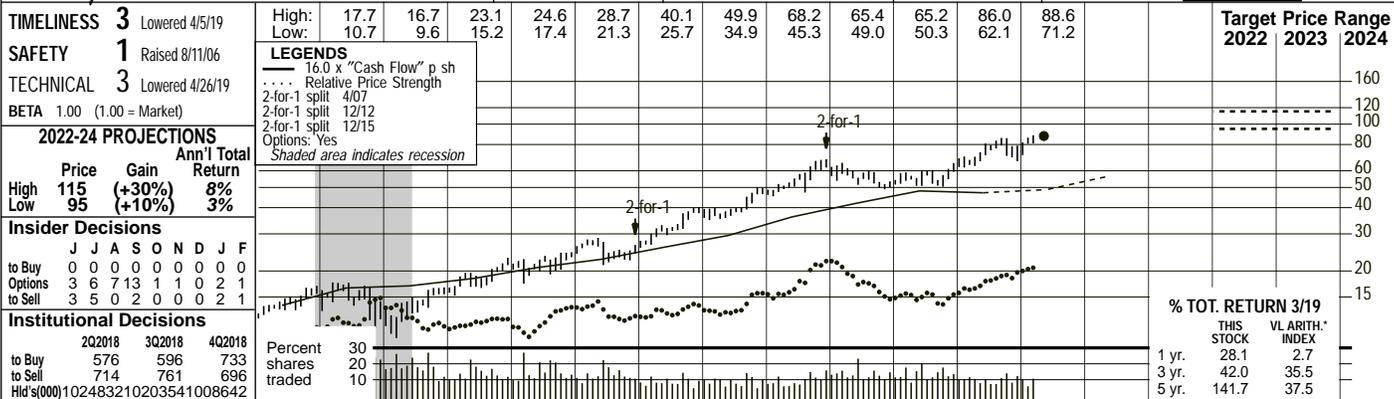


# NIKE, INC. 'B' NYSE-NKE

RECENT PRICE **87.80** P/E RATIO **32.2** (Trailing: 34.3; Median: 21.0) RELATIVE P/E RATIO **1.80** DIV'D YLD **1.0%** **VALUE LINE**



2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC		22-24
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	22.73	<b>24.95</b>	<b>27.15</b>	Sales per sh <sup>A</sup>		<b>35.30</b>
.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	2.95	<b>3.05</b>	<b>3.55</b>	"Cash Flow" per sh		<b>5.85</b>
.35	.44	.56	.66	.72	.86	.88	.97	1.10	1.18	1.35	1.49	1.85	2.16	2.51	2.40	<b>2.60</b>	<b>3.05</b>	Earnings per sh <sup>AB</sup>		<b>5.25</b>
.07	.09	.12	.15	.18	.22	.25	.27	.30	.35	.41	.47	.54	.62	.70	.78	<b>.88</b>	<b>1.00</b>	Div'ds Decl'd per sh <sup>CD</sup>		<b>1.40</b>
.09	.10	.12	.16	.16	.23	.23	.17	.23	.33	.36	.51	.56	.68	.67	.64	<b>.75</b>	<b>.80</b>	Cap'l Spending per sh		<b>1.05</b>
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	6.13	<b>6.05</b>	<b>6.60</b>	Book Value per sh		<b>9.00</b>
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	1601.0	<b>1570.0</b>	<b>1560.0</b>	Common Shs Outst'g <sup>EF</sup>		<b>1530.0</b>
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	25.3	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio		<b>20.0</b>
.97	.97	.95	.86	.88	1.07	1.02	1.04	1.14	1.30	1.09	1.27	1.23	1.44	1.09	1.35			Relative P/E Ratio		<b>1.10</b>
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%	1.3%			Avg Ann'l Div'd Yield		<b>1.3%</b>

CAPITAL STRUCTURE as of 2/28/19				19176													2019		2020		Sales (\$mill) <sup>A</sup>		54000
Total Debt \$3487 mill. Due in 5 Yrs \$800 mill.				14.5%													15.6%		16.2%		Operating Margin		19.5%
LT Debt \$3465 mill. LT Interest \$200 mill. (27% of Capital)				335.0													705		750		Depreciation (\$mill)		900
Leases, Uncapitalized Annual rentals \$491 mill. No Defined Benefit Pension Plan				1727.4													4080		4760		Net Profit (\$mill)		8035
Preferred Stock None				26.7%													20.0%		20.0%		Income Tax Rate		21.0%
Common Stock 1,571,749,591 shares				9.0%													10.4%		11.2%		Net Profit Margin		14.9%
Class A shares: 315,024,752				6457.0													8900		9300		Working Cap'l (\$mill)		10500
Class B shares: 1,256,724,839 as of 4/1/19				437.2													3400		3300		Long-Term Debt (\$mill)		3000
MARKET CAP: \$138.0 billion (Large Cap)				8693.1													9500		10250		Shr. Equity (\$mill)		13775
CURRENT POSITION				19.1%													32.5%		36.0%		Return on Total Cap'l		48.5%
2017				19.9%													43.0%		46.5%		Return on Shr. Equity		58.5%
2018				14.5%													28.5%		31.0%		Retained to Com Eq		43.0%
2/28/19				27%													34%		33%		All Div'ds to Net Prof		27%

**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 numerous countries. Offerings are focused in six categories: running, basketball, the Jordan brand, football (soccer), training, and sportswear. There is another product line for kids. Has about 73,100 employees (including part-timers). Swoosh, LLC, owns 77.5% Cl. A shares, 16.7% Cl. B; officers/directors, 3.9% of Cl. B; The Vanguard Group, 7.8%; BlackRock, 6.1% (7/18 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 high-quality shares are trading near all-time highs.** With the controversial Colin Kaepernick ad campaign now in the rearview mirror, the company has strung together some solid quarterly earnings reports. Yes, there was a bout of profit taking after the February-quarter financial disclosure, but that dip was quickly retraced. All in all, the swoosh is performing well. In particular, growth at the top line has been broad-based, with the vital North American market putting up handsome statistics, and areas like China and Latin America following suit. More importantly, footwear sales, the company's bread and butter, rose 9% in the most recent three-month period here in the U.S., and the highly competitive backdrop NIKE has been dealing with here at home may be shaking out some lesser participants (more color below). Nonetheless, all this good news looks to be already factored into NIKE's stock price. The neutrally ranked selection is a subpar choice for three- to five-year appreciation potential. **Earnings growth for fiscal 2019 (years end May 31st) should approach 10% on a year-over-year basis.** The top line is growing and EPS continues to climb even with the elevated amount of funding NIKE is pouring into its online platform, research and development, and direct-to-consumer ventures that are striking a chord with millennials. For fiscal 2020, we think the capital layouts needed for these projects should start to taper, leading to a larger share-net figure north of \$3.00. **This time of year, NIKE's visibility is elevated due to its impressive roster of pitchers.** The Masters was earlier this month, and Tiger Woods was front and center and won the tournament. Also, the NBA playoffs are now in full swing and the swoosh has a bevy of big names under contract: Kevin Durant, Kyrie Irving, and Paul George to name a few. **A recent survey depicts a scenario where one of the company's primary competitors is falling off.** Under Armour looks to be falling out of favor with the 18-34 crowd, as a lack of innovation is evident. The company's spot has slipped in both the basketball and casual categories, and it remains a distant sixth in the running group. *Erik M. Manning*

(A) Fiscal years end May 31st. (B) Diluted earnings. Excludes nonrecurring: '03, (25c); '07, 2c; '08, 8c; '09, (13c); '13, 1c; '18, (\$1.23) due to tax law change. Next egs. report due late June/early July.	(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	95
				Earnings Predictability	95