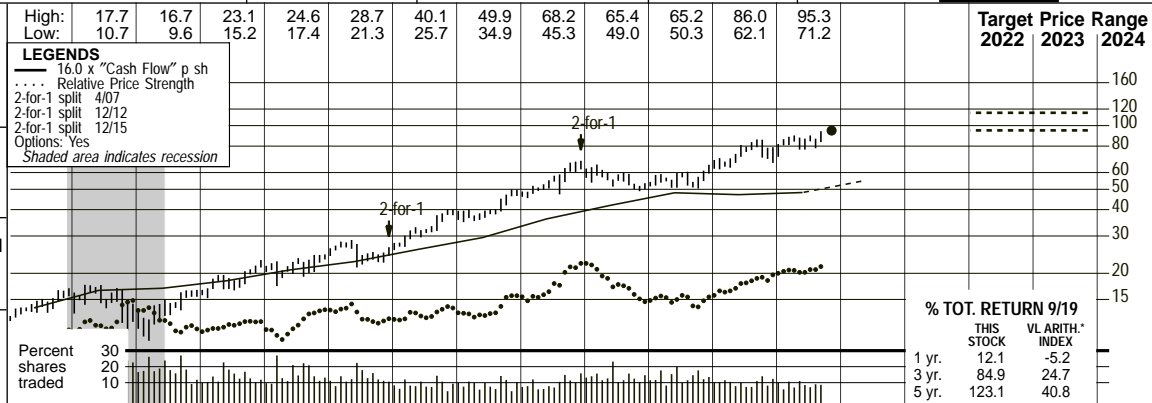


# NIKE, INC. 'B' NYSE-NKE

RECENT PRICE **94.79** P/E RATIO **33.5** (Trailing: 35.4 Median: 23.0) RELATIVE P/E RATIO **1.98** DIV'D YLD **0.9%** **VALUE LINE**

**TIMELINESS** 2 Raised 10/4/19  
**SAFETY** 1 Raised 8/11/06  
**TECHNICAL** 3 Lowered 9/6/19  
**BETA** 1.00 (1.00 = Market)  
**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$74-\$114 \$94 (0%)



**2022-24 PROJECTIONS**  
 High Price Gain Ann'l Total  
 Low 115 (+20%) Return  
 95 (Nil) 6%  
**Institutional Decisions**  
 4Q2018 1Q2019 2Q2019  
 to Buy 733 760 716  
 to Sell 696 700 724  
 Hlds(000) 100864210323181034297  
 Percent shares traded 30  
 20  
 10

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	24.95	27.05	Sales per sh <sup>A</sup>	35.30
.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	3.02	3.45	"Cash Flow" per sh	5.85
.35	.44	.56	.66	.72	.86	.88	.97	1.10	1.18	1.35	1.49	1.85	2.16	2.51	2.40	2.49	3.00	Earnings per sh <sup>AB</sup>	5.30
.07	.09	.12	.15	.18	.22	.25	.27	.30	.35	.41	.47	.54	.62	.70	.78	.86	.94	Div's Decl'd per sh <sup>CD</sup>	1.34
.09	.10	.12	.16	.16	.23	.23	.17	.23	.33	.36	.51	.56	.68	.67	.64	.71	.75	Cap'l Spending per sh	1.05
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	5.77	6.30	Book Value per sh	8.50
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	1568.0	1560.0	Common Shs Outst'g <sup>EF</sup>	1530.0
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	32.0		Avg Ann'l P/E Ratio	20.0
.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	1.37	1.81		Relative P/E Ratio	1.10
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%	1.1%		Avg Ann'l Div'd Yield	1.3%

**CAPITAL STRUCTURE as of 8/31/19**  
 Total Debt \$3719 mill. Due in 5 Yrs \$500 mill.  
 LT Debt \$3463 mill. LT Interest \$190 mill.  
 (26% of Capital)  
**Leases, Uncapitalized** Annual rentals \$553 mill.  
**No Defined Benefit Pension Plan**  
 Preferred Stock None  
 Common Stock 1,561,052,333 shares  
 Class A shares: 315,024,752  
 Class B shares: 1,246,007,581  
**MARKET CAP: \$148.0 billion (Large Cap)**

19176	19014	20862	24128	25313	27799	30601	32376	34350	36397	39117	42190	45000	Sales (\$mill) <sup>A</sup>	54000
14.5%	14.7%	15.1%	14.1%	14.6%	15.1%	15.6%	15.9%	15.9%	14.3%	14.0%	15.0%	19.0%	Operating Margin	19.0%
335.0	323.7	335.0	373.0	438.0	518.0	606.0	649.0	706.0	747.0	705.0	685	850	Depreciation (\$mill)	850
1727.4	1906.7	2133.0	2223.0	2464.0	2693.0	3273.0	3760.0	4240.0	3974.0	4029.0	4680	8110	Net Profit (\$mill)	8110
26.7%	24.2%	25.0%	25.5%	24.7%	24.0%	22.2%	18.7%	13.2%	8.1%	16.1%	19.0%	21.0%	Income Tax Rate	21.0%
9.0%	10.0%	10.2%	9.2%	9.7%	9.7%	10.7%	11.6%	12.3%	10.9%	10.3%	11.1%	15.0%	Net Profit Margin	15.0%
6457.0	7595.0	7339.0	7666.0	9700.0	8669.0	9642.0	9667.0	10587	9094.0	8659.0	8900	10000	Working Cap'l (\$mill)	10000
437.2	445.8	276.0	228.0	1210.0	1199.0	1079.0	2010.0	3471.0	3468.0	3464.0	3350	3050	Long-Term Debt (\$mill)	3050
8693.1	9753.7	9843.0	10381	11156	10824	12707	12258	12407	9812.0	9040.0	9850	13000	Shr. Equity (\$mill)	13000
19.1%	18.7%	21.1%	21.0%	20.0%	22.6%	23.8%	26.5%	26.9%	30.3%	32.7%	36.0%	51.0%	Return on Total Cap'l	51.0%
19.9%	19.5%	21.7%	21.4%	22.1%	24.9%	25.8%	30.7%	34.2%	40.5%	44.6%	47.5%	62.5%	Return on Shr. Equity	62.5%
14.5%	14.4%	16.0%	15.5%	15.8%	17.5%	18.7%	22.3%	25.0%	27.8%	29.8%	32.5%	46.5%	Retained to Com Eq	46.5%
27%	27%	26%	28%	29%	30%	27%	27%	27%	31%	33%	31%	25%	All Div'ds to Net Prof	25%

CURRENT POSITION	2018	2019	8/31/19
Cash Assets	5245	4663	3644
Receivables	3498	4272	4656
Inventory (LIFO)	5261	5622	5835
Other	1130	1968	2093
Current Assets	15134	16525	16228
Accts Payable	2279	2612	2716
Debt Due	342	15	256
Other	3419	5239	5098
Current Liab.	6040	7866	8070

ANNUAL RATES	Past 10 Yrs	Past 5 Yrs	Est'd '17-'19
of change (per sh)	10 Yrs	5 Yrs	to '22-'24
Sales	9.5%	9.5%	9.0%
"Cash Flow"	11.5%	13.0%	15.0%
Earnings	11.5%	13.0%	17.0%
Dividends	14.0%	14.0%	12.0%
Book Value	5.0%	1.5%	5.5%

Fiscal Year Ends	QUARTERLY SALES (\$ mill.) <sup>A</sup>				Full Fiscal Year
	Aug.31	Nov.30	Feb.28	May 31	
2016	8414	7686	8032	8244	32376
2017	9061	8180	8432	8677	34350
2018	9070	8554	8984	9789	36397
2019	9948	9374	9611	10184	39117
2020	10660	10075	10400	11055	42190

Fiscal Year Ends	EARNINGS PER SHARE <sup>AB</sup>				Full Fiscal Year
	Aug.31	Nov.30	Feb.28	May 31	
2016	.67	.45	.55	.49	2.16
2017	.73	.50	.68	.60	2.51
2018	.57	.46	.68	.69	2.40
2019	.67	.52	.68	.62	2.49
2020	.86	.58	.77	.79	3.00

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>C</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	.14	.14	.14	.14	.56
2016	.16	.16	.16	.16	.64
2017	.18	.18	.18	.18	.72
2018	.20	.20	.20	.20	.80
2019	.22	.22	.22	.22	.88

**NIKE shares are trading above the \$90 level for the first time in their history.** August-period results (fiscal years end May 31st) topped expectations on both the sales and earnings lines by a handsome margin. New products and investments in e-commerce are driving the top-line needle higher. Sales in China rose 27% year over year, while the vital North American market, posted a gain of 4%. Product innovation and an improved Internet presence are helping, and the company is making leaps in areas where it needs to. For this particular quarter, those would be the women's segment and the back-to-school window.

**Share net should jump to the \$3.00 mark in fiscal 2020.** A \$0.15 earnings beat in the August period has prompted us to add a dime onto our call, which now represents a 17% annual advance. Margins have been rising of late thanks to the NIKE Direct movement. This alteration to the business model has the company selling more items at full price in its own stores and on its Web site, in favor of using discounted retailers. Of note, the likes of Foot Locker, Nordstrom, and

is another product line for kids. Has about 76,700 employees (including part-timers). Swoosh, LLC, owns 77.7% Cl. A shares, 16.3% Cl. B; officers/directors, 3.8% of Cl. B; The Vanguard Group, 8.2%; BlackRock, 6.8% (8/19 proxy). Chairman & CEO: Mark G. Parker. Inc.: Oregon. Address: One Bowerman Drive, Beaverton, OR 97005. Telephone: 503-671-6453. Internet: www.nikeinc.com.

**Dick's Sporting Goods still have key relationships to move merchandise for the swoosh.** With that, we look for sales to eclipse the \$42 billion mark in the current fiscal campaign. **The recent NBA-China troubles does not overly concern us.** A social media post from the GM of the Houston Rockets angered the Chinese government and disrupted the NBA's preseason tour. Yes, NIKE uses NBA players as ambassadors, but it has spent more than 30 years building relationships with Chinese consumers (and the government), and the swoosh is a global athletic brand not entirely associated with one sport or one country.

**These high-quality and timely shares are best-suited for investors with a short-term view.** With the quotation reaching all-time highs, prospects for both the 18-month window and 3- to 5-year span are not ideal for those looking to initiate a position here. The best way to play it at this time would be an approach that looks to capitalize on the room we believe this blue chip still has to run in the coming six to 12 months.

(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 December. (C) Dividends historically paid in early January, April, July, and October. (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

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October 25, 2019

Erik M. Manning