

parel, 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 NIKE's earnings for fiscal 2022 (year

cluding part-timers). Swoosh, LLC, owns 76.6% Cl. A shares, 15.5% Cl. B; offs./dirs., 3.7% of Cl. B; Vanguard, 8.3%; BlackRock, 7.3% (8/21 proxy). Chairman: Mark G. Parker. CEO: John Donahoe. Inc.: Oregon. Addr.: One Bowerman Drive, Beaverton, OR 97005. Tel.: 503-671-6453. Internet: www.nikeinc.com.

ANNUAL RATES Est'd '19-'21 Past Past 5 Yrs. 8.0% 7.0% 7.5% 10 Yrs. 9.5% of change (per sh) to '25-'27 11.0% 22.0% 24.0% Sales "Cash Flow" 10.5% 10.5% Earnings Dividends Book Value 13.5% 2.5% 12.0%

1653

20556

2248

5785

8284

251

Current Assets

Accts Payable Debt Due

Current Liab.

1498

26962

2770

6048

8818

26291

2836

6836

9674

Fiscal Year Ends	QUA Aug.31	RTERLY S Nov.30	ALES (\$ m Feb.28	ill.) ^A May 31	Full Fiscal Year
2019	9948	9374	9611	10184	39117
2020	10660	10326	10104	6313	37403
2021	10594	11243	10357	12344	44538
2022	12248	11357	10871	12374	46850
2023	13170	12800	12500	14000	52470
Fiscal	EARNINGS PER SHARE AB				_Full .
Year Ends	Aug.31	Nov.30	Feb.28	May 31	Fiscal Year
2019	.67	.52	.68	.62	2.49
2020	.86	.70	.78	d.51	1.85
2021	.95	.78	.90	.93	3.56
2022	1.16	.83	.87	.89	3.75
2023	1.30	1.10	1.10	1.15	4.65
Cal-	QUARTERLY DIVIDENDS PAID C■				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2018	.20	.20	.20	.20	.80
2019	.22	.22	.22	.22	.88
2020	.245	.245	.245	.245	.98
2021	.275	.275	.275	.275	1.10
2022	.305	.305			

(A) Fiscal years end May 31st. (B) Diluted earnings. Excludes nonrecurring: '07, 2¢; '08, 8¢; '09, (13¢); '13, 1¢; '18, (\$1.23) due to tax

change in share count. Next egs. report due late June.

available. (D) Includes 21¢ dividend paid December 2012. (E) In millions, adjusted for (C) Dividends historically paid in early January, April, July, and October. ■ Reinvestment plan splits. **(F)** Each share of Class A is convertible to one share of Class B.

ends May 31st) are likely to clock in at around \$3.75 a share. A rise in North American demand during the February quarter led to a sales and earnings beat in that 90-day window. This helped offset a 5% decline in receipts out of China, where that country is dealing with another COVID outbreak, and there is also some boycotting of western countries' goods. The digital space continues to put up enormous numbers and NIKE has eliminated many third-party vendors, soprofitability metrics should be on the rise in the years ahead. All told, we think sales will rise slightly more than 5% in fiscal 2022, in line with management's call for a mid-

The swoosh's direct-to-consumer strategy is bad news for the smaller players in the footwear space. Via its Web site and apps, which have been greatly enhanced during the pandemic, NIKE is building strong relationships/loyalty with its customer base. Leaning on the online model, direct sales were up 15% in the fiscal third quarter, to \$4.6 billion. To that end, the company is no longer supplying

single-digit jump on the top line.

product to the likes of Foot Locker, as well as smaller boutiques, which together make up an important avenue in the sneaker community. Regardless, NIKE can do this because it has the reach and financial wherewithal to go it alone. The ramifications will be felt in the near term.

Earnings growth for fiscal 2023 may well approach 25% on a year-overyear basis. Athleisure-based trends are showing no signs of lapsing. Demand has been high in most regions, and we think Chinese sales will perk up soon, as well. Too, many of the cost constraints that have been encumbering profits should ease as the year rolls on. All told, we are introducing an earnings target of \$4.65 for fiscal 2023, and we think share net can climb to \$9.50 for the 2025-2027 period.

These good-quality shares are attractive for the near term. This blue chip remains a timely selection for year-ahead relative price performance. Too, with the recent pullback in price tied to the broader market's slump, long-term appreciation potential is about average. The yield, however, is well below the Value Line median. Erik M. Manning April 22, 2022

> Company's Financial Strength Stock's Price Stability A++ 75 Price Growth Persistence 95 **Earnings Predictability** 60