



“THE DREAM TEAM”



NIKE GAMEPLAN

SPEAKER

SEGMENT

Jenna Lindemann

Company Overview

Braden Jenschke

Economic Moat, Management

Brandon Chaney

Company Overview, Breakdown, and Competition

Dylan Swanson

Interpretation of Financial Statements, Growth, Risks

William Errett

Capital Allocation, Valuation

Q&A



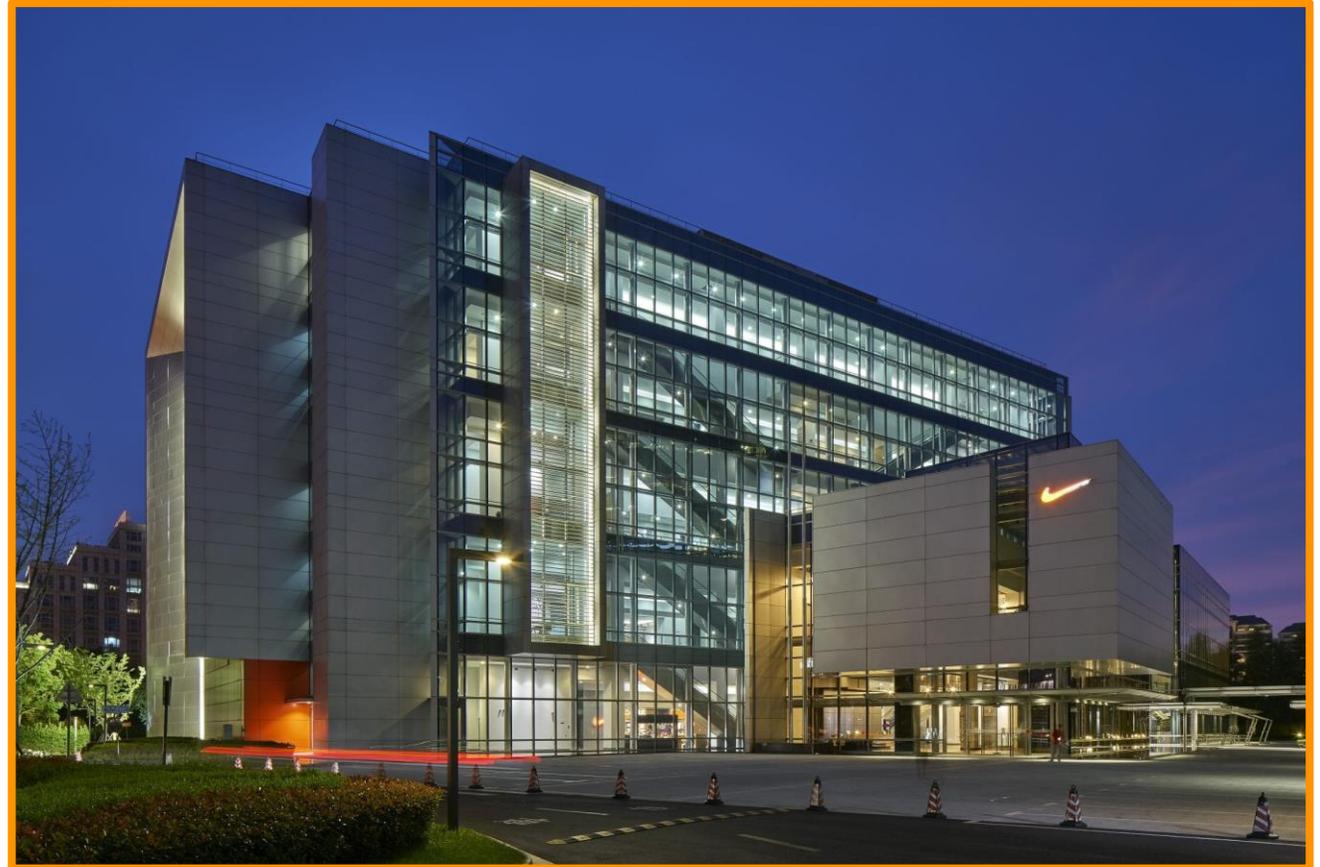


COMPANY OVERVIEW

Jenna Lindemann &
Brandon Chaney

INTRODUCING NIKE

- Ticker: NKE (NYSE)
- Market Cap: \$136.6B
- Stock Price: \$87.87
- Revenue: \$46.7B (FY 2022)
- Headquarters: Beaverton, Oregon
- Current Position: \$10,414
- Weight of Portfolio: 0.87%



COMPANY HISTORY



Bill Bowerman and Phil Knight create Blue Ribbon Sports

1964

1971

“Nike Waffle Trainer” created



Company is renamed Nike, Inc., Swoosh Logo designed for \$35

1971

1st Nike brand shoe is launched



1972

Nike has 50% Athletic Footwear Market Share

1980

COMPANY HISTORY



Nike signs Michael Jordan

1984

1988

"Just Do It" Campaign is Launched



Cole Haan

Nike acquires Cole Haan

1988

1996

Nike signs Tiger Woods



COMPANY HISTORY



Nike acquires Hurley

Nike acquires Starter

Becomes NFL's official supplier for uniforms

2003

2007

2002

2004

2012

Signs LeBron James, acquires Converse for \$309M

Nike sells Starter



COMPANY HISTORY

Cole Haan

ZODIAC

DATALOGUE

Nike sells Cole Haan

Nike acquires Zodiac (Data analytics)

Nike acquires Datalogue (Digital Sales & Machine Learning)

2017

2019

2013

2018

2021

Nike becomes NBA's official apparel supplier

Stops selling directly through AMZN, acquires Celect (Predictive analytics company)



celect



52 WEEK PRICE CHART



52-WK HIGH: \$179.10

52-WK LOW: \$82.22

KEY EVENTS:

SEP. 30TH – Q1 '23 Earnings Released

12.8% decrease in price

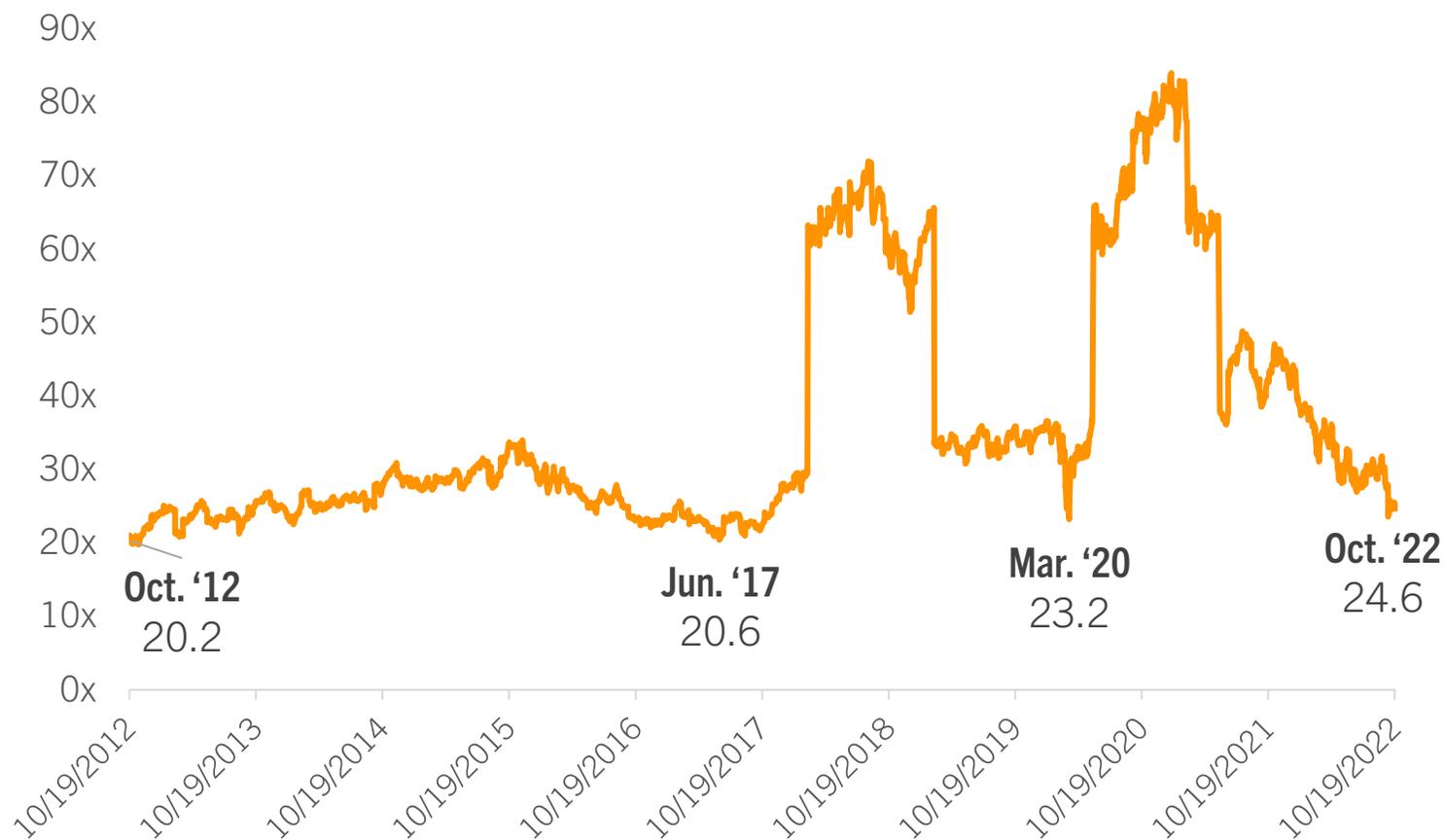
- Excess inventory on-hand
- 44% Increase Y/Y



WHY NIKE?

- Wide-Moat Company
 - One of the world's strongest brand names
- Trading at Low Multiples
- Undersized Position in our Portfolio

Nike Inc (NKE) PE Ratio





COMPANY BREAKDOWN

Brandon Chaney

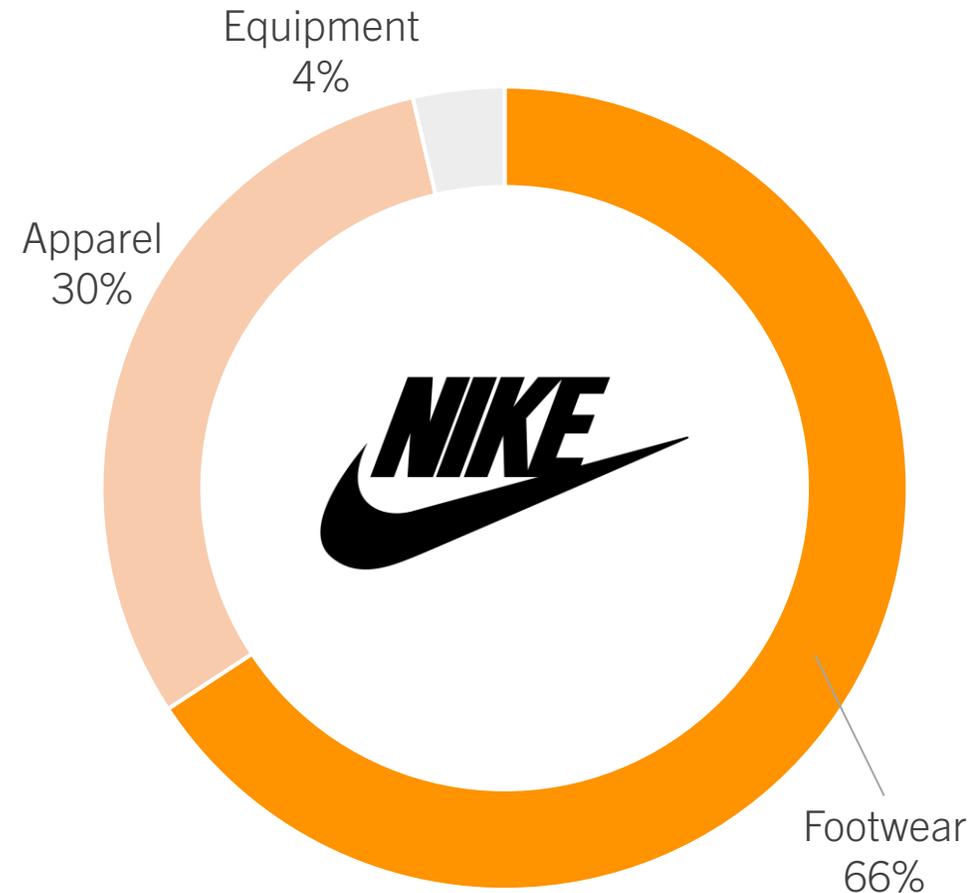
HOW DOES NIKE MAKE MONEY?

Nike generates revenue by selling:

- Footwear
- Apparel
- Equipment and Accessories

FY2022 Nike, Inc. Total Product Revenues: \$46.8B

- Footwear: \$31.27B
- Apparel: \$13.67B
- Equipment and Other: \$1.77B



BUSINESS SEGMENTS

Three Segments

- Nike Brand
 - Apparel, Footwear, Equipment
 - Global Brand Divisions
- Converse
 - Apparel, Footwear, Equipment
- Corporate
 - Foreign Currency Hedging



COMPANY FORMULA

NIKE BRAND

+

CONVERSE

+

CORPORATE

NIKE, INC.



NIKE BRAND

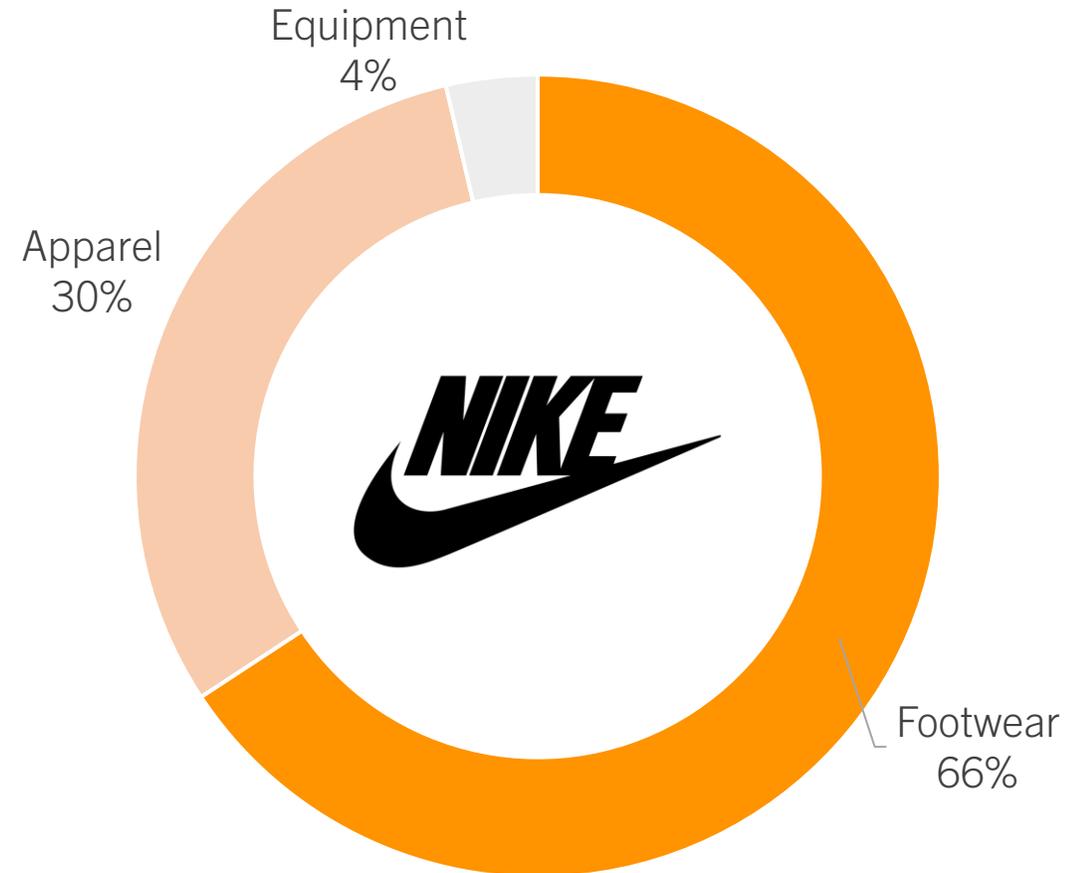
- Men's, Women's and Kids'
 - Athletic Footwear
 - Sports Apparel
 - Performance Equipment and Accessories
- Global Brand Divisions



NIKE BRAND PRODUCT MIX

- Product Mix

- Athletic Footwear: \$29.14B
- Sports Apparel: \$13.57B
- Performance Equipment and Accessories: \$1.62B



NIKE BRAND APPAREL

Men's Apparel



Warren Buffett

Women's Apparel



Kids' Apparel

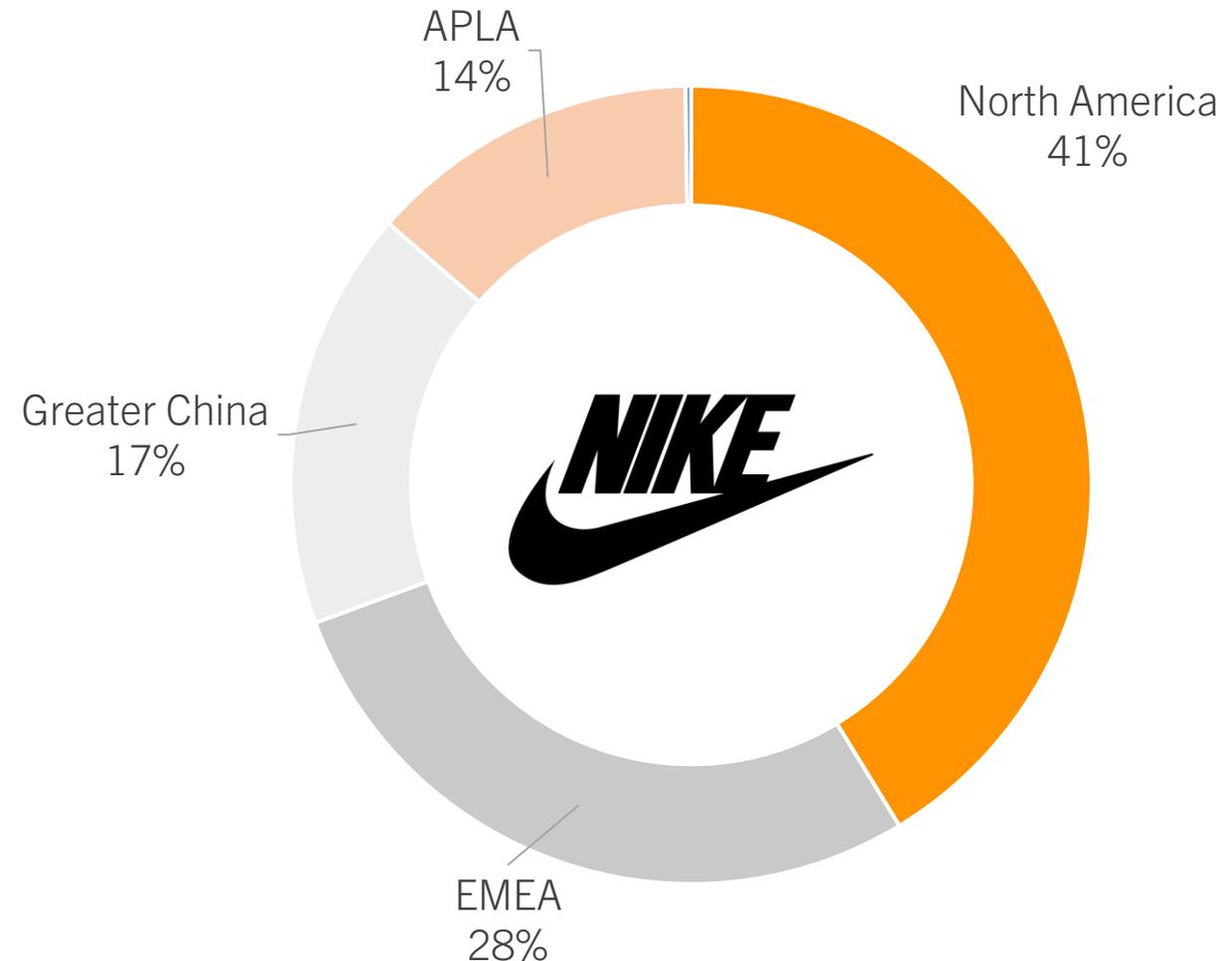


Ethan Sanchez



NIKE BRAND REVENUE BY GEOGRAPHY

- North America: \$18.4B
 - 7% Increase Y/Y
- Europe, Mid-East, Africa: \$12.5B
 - 9% Increase Y/Y
- Greater China: \$7.6B
 - 9% Decrease Y/Y
- Asia-Pacific, Latin-America: \$6B
 - 11% Increase Y/Y



CONVERSE

Converse

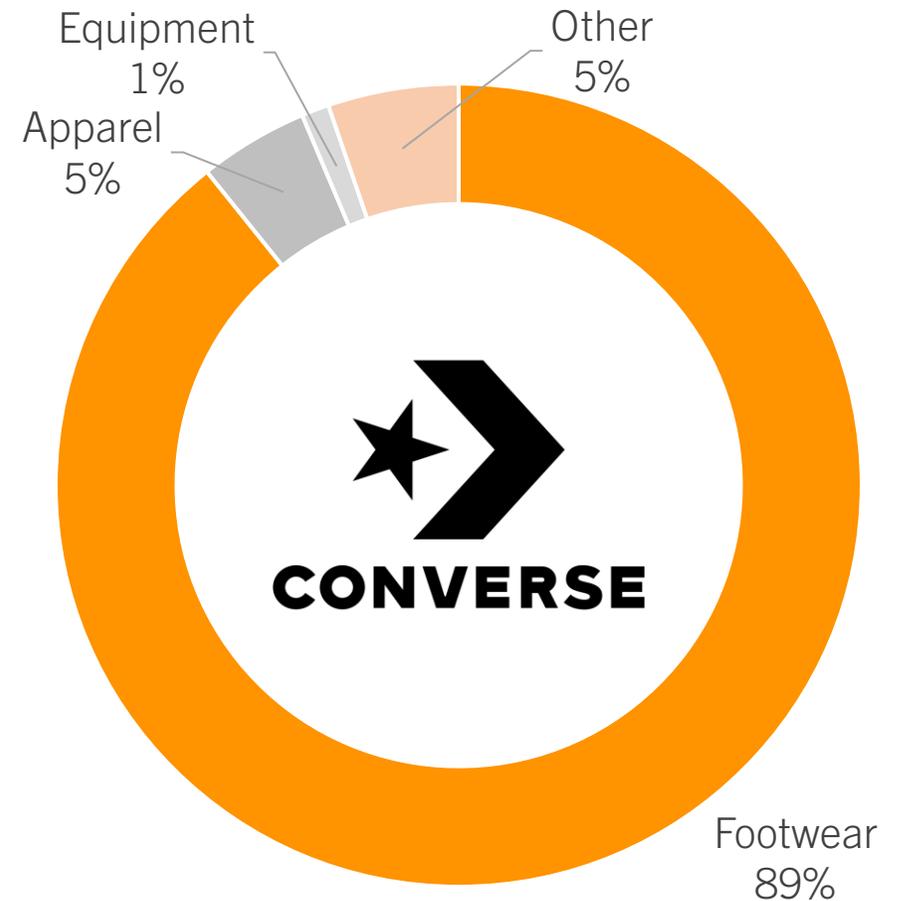
- Men's, Women's and Kids'
 - Footwear
 - Apparel
 - Equipment and Other



CONVERSE PRODUCT MIX

Total Revenue: \$2.35B

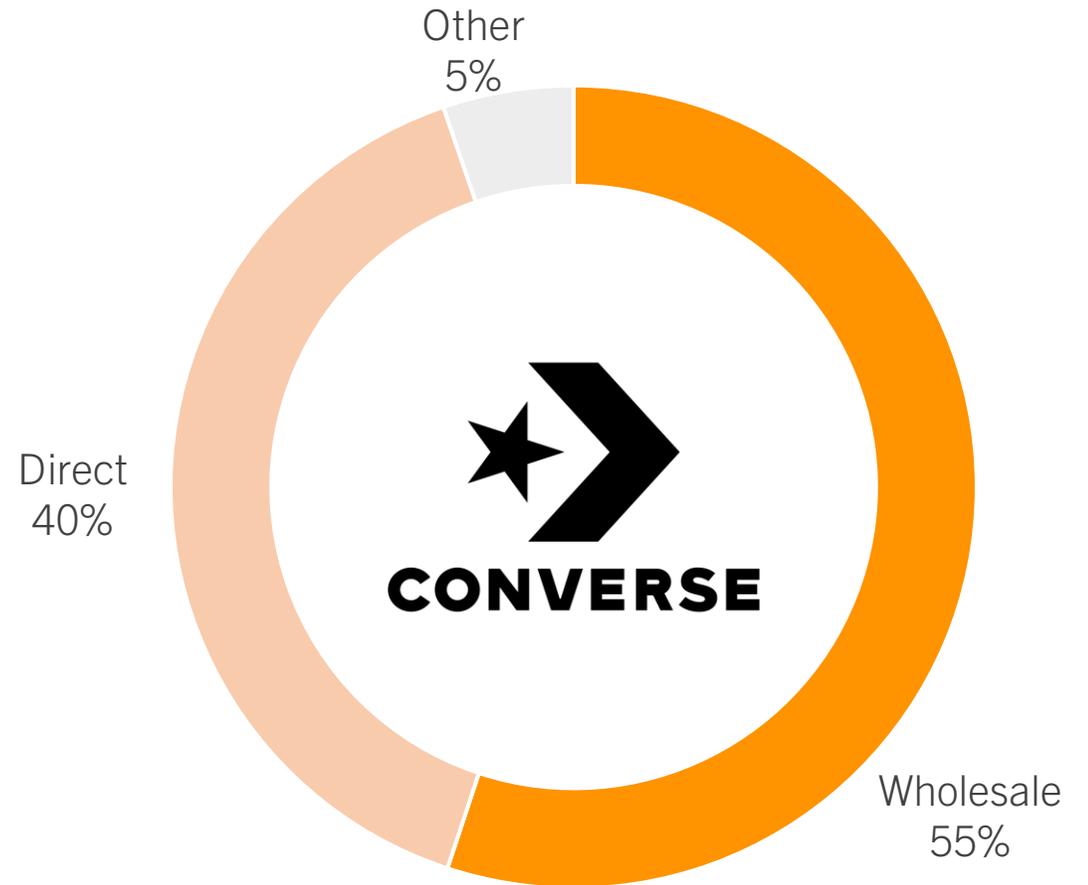
- Footwear: \$2.09B
- Apparel: \$100M
- Equipment and Other: \$129M



CONVERSE SALES CHANNEL MIX

Sales Channel: \$2.35B

- Wholesale: \$1.29B
 - 5% Decrease Y/Y
- Direct: \$931M
 - 22% Increase Y/Y
- Other: \$123M
 - 43% Increase Y/Y



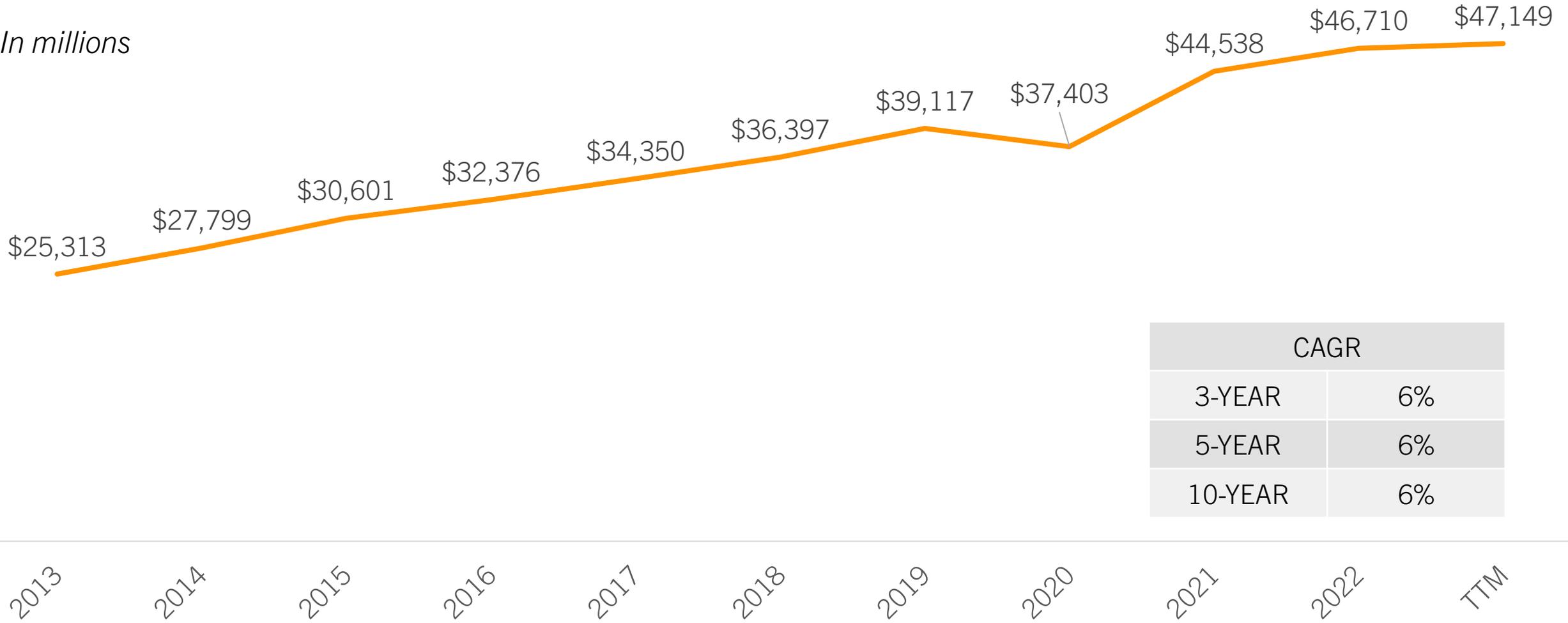


Dylan Swanson

INTERPRETATION OF FINANCIAL STATEMENTS

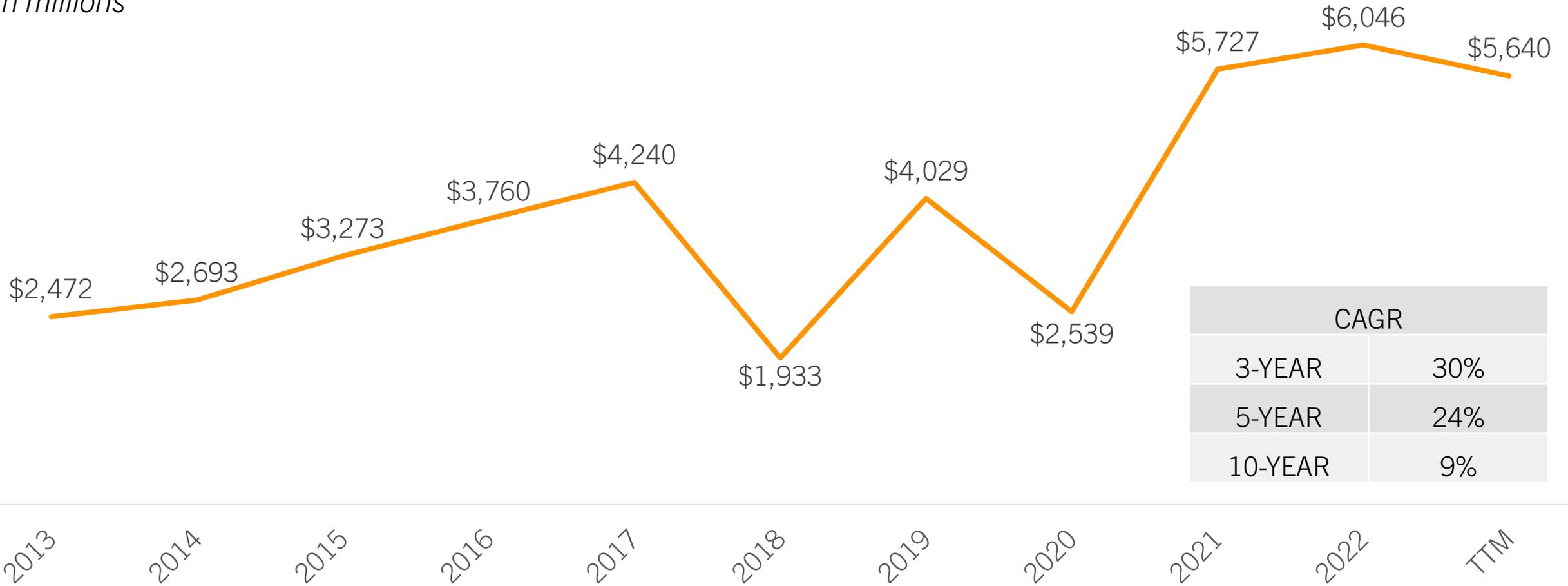
REVENUE

In millions



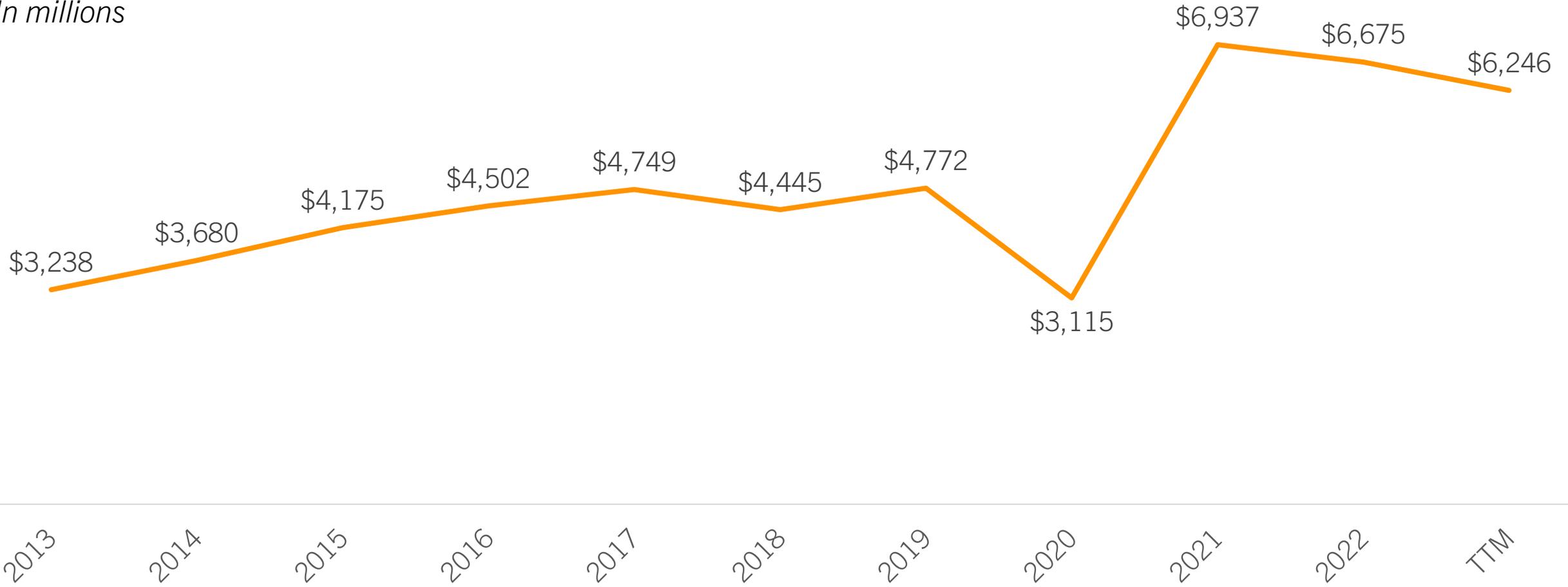
NET INCOME

In millions



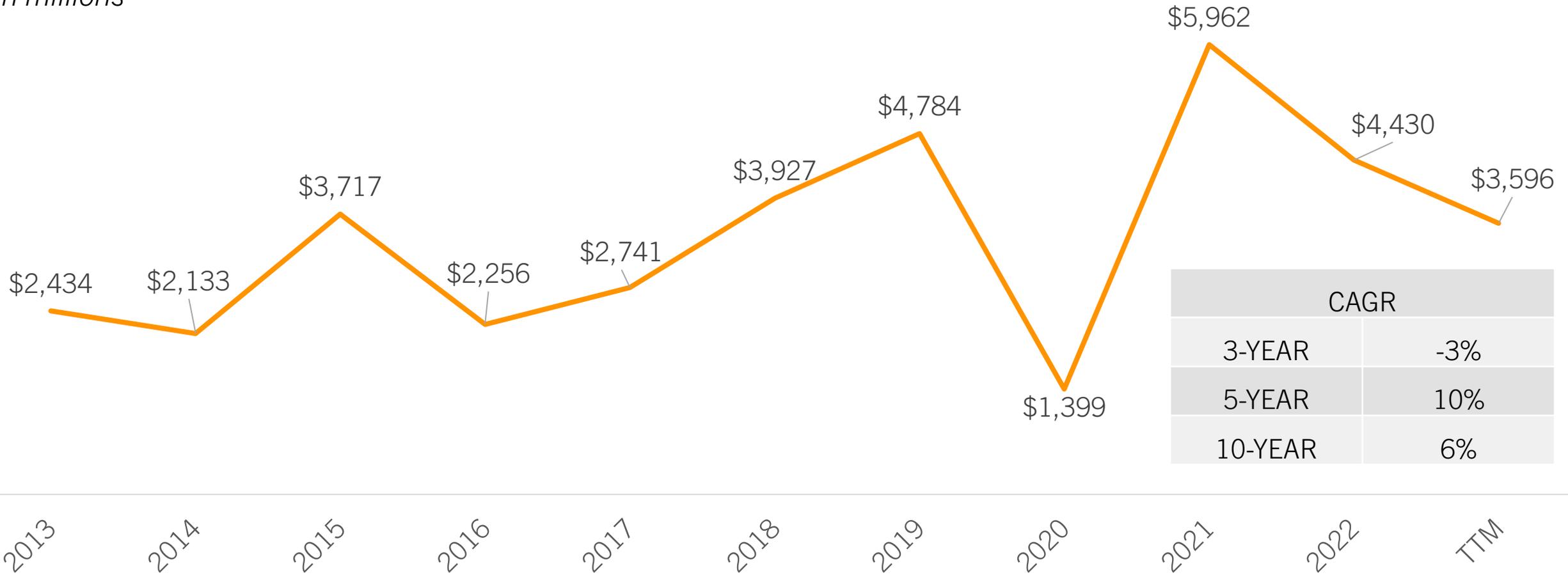
EBIT

In millions



FREE CASH FLOW

In millions

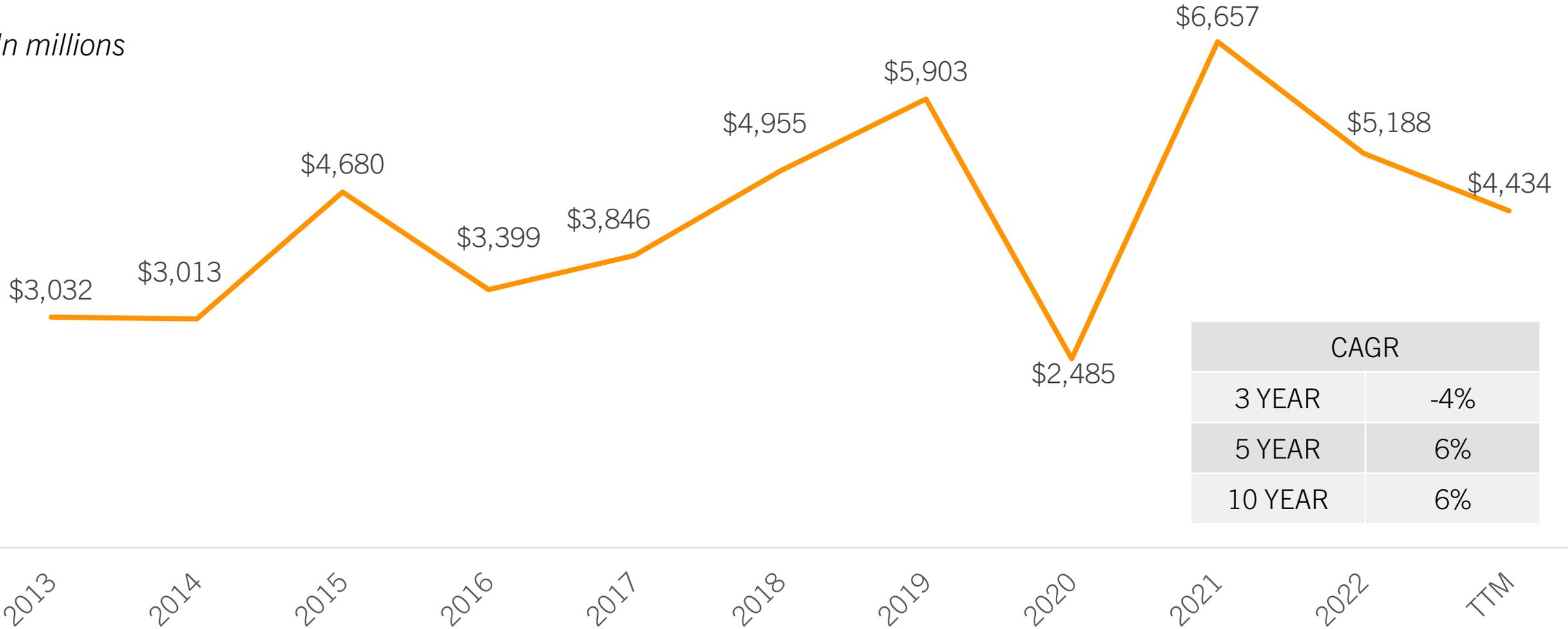


CAGR	
3-YEAR	-3%
5-YEAR	10%
10-YEAR	6%



CASH FLOW FROM OPERATIONS

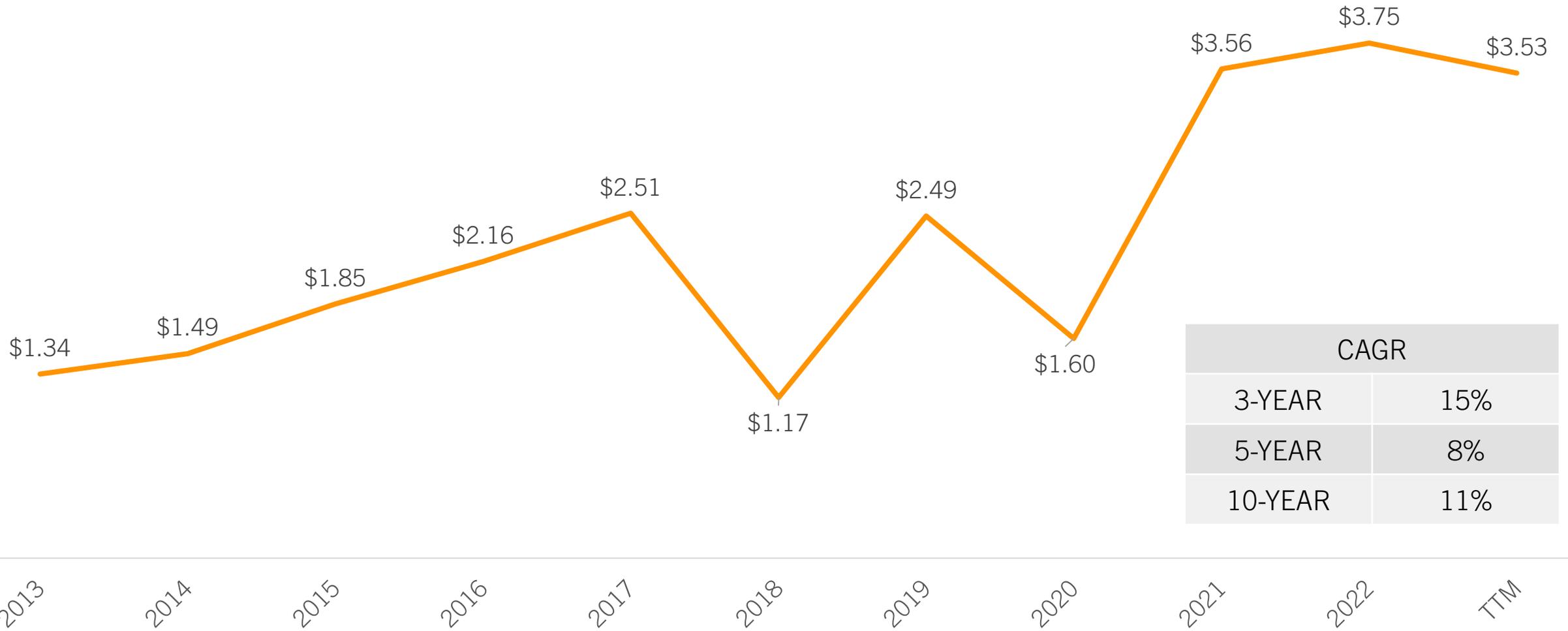
In millions



CAGR	
3 YEAR	-4%
5 YEAR	6%
10 YEAR	6%



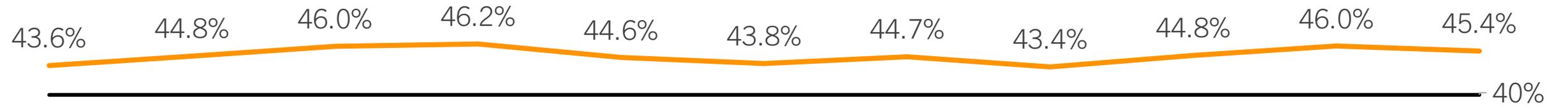
EARNINGS PER SHARE



CAGR	
3-YEAR	15%
5-YEAR	8%
10-YEAR	11%



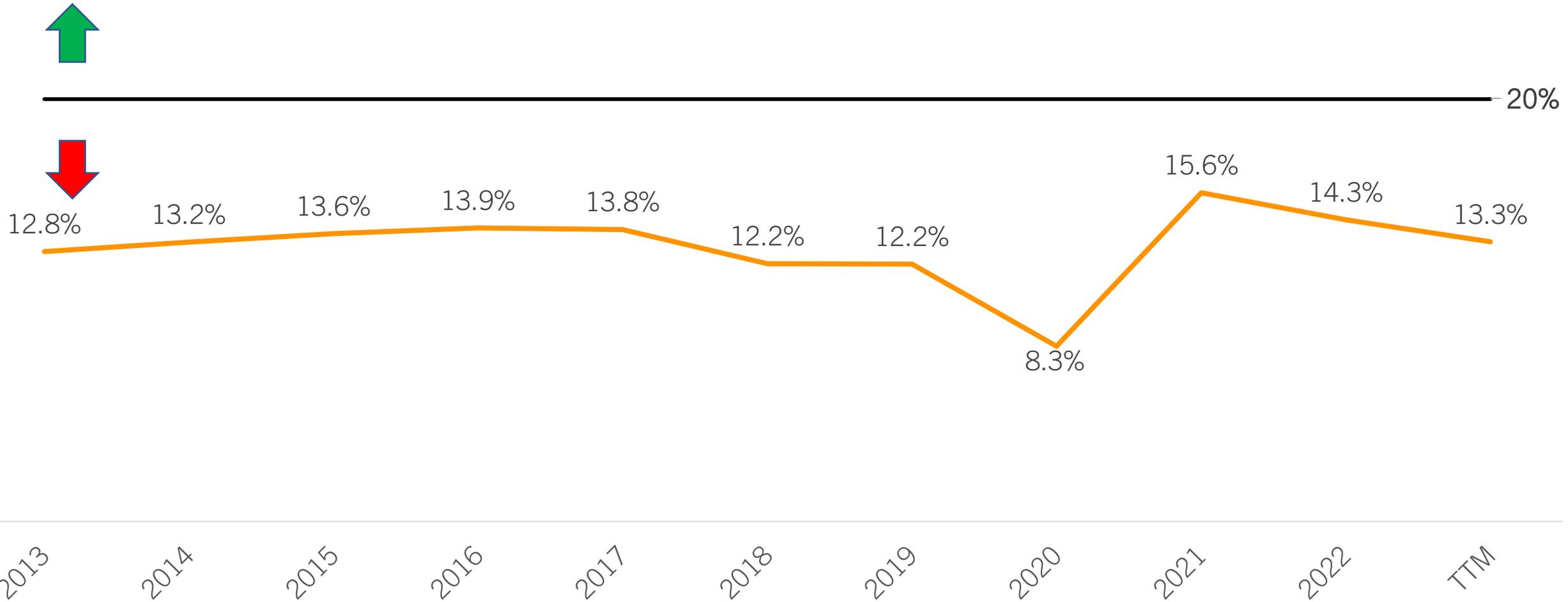
GROSS MARGIN



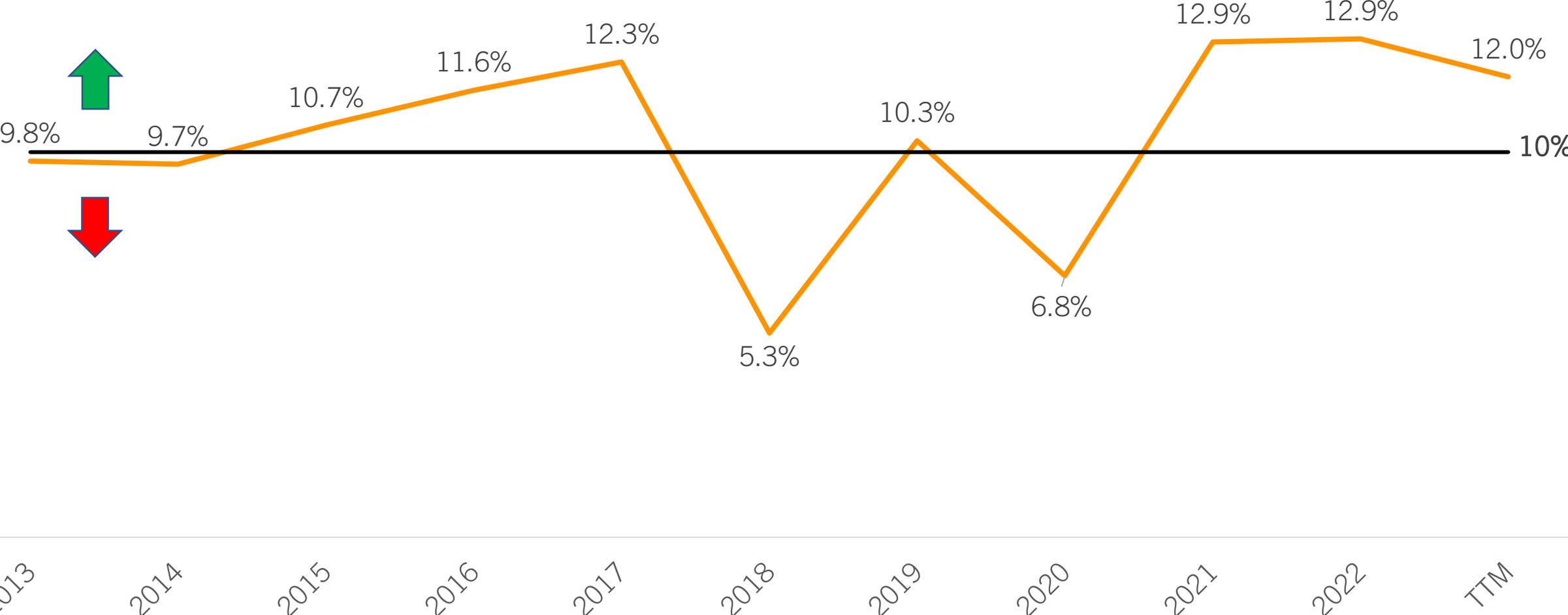
2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 TTM



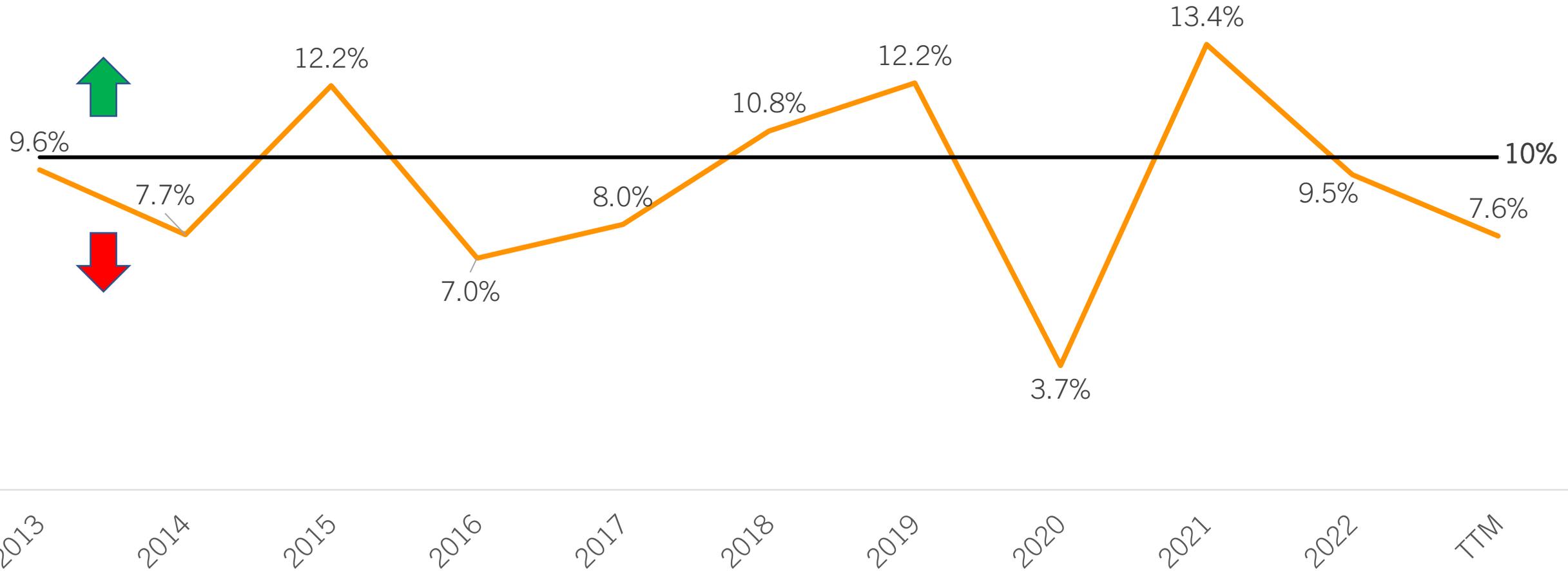
OPERATING MARGIN



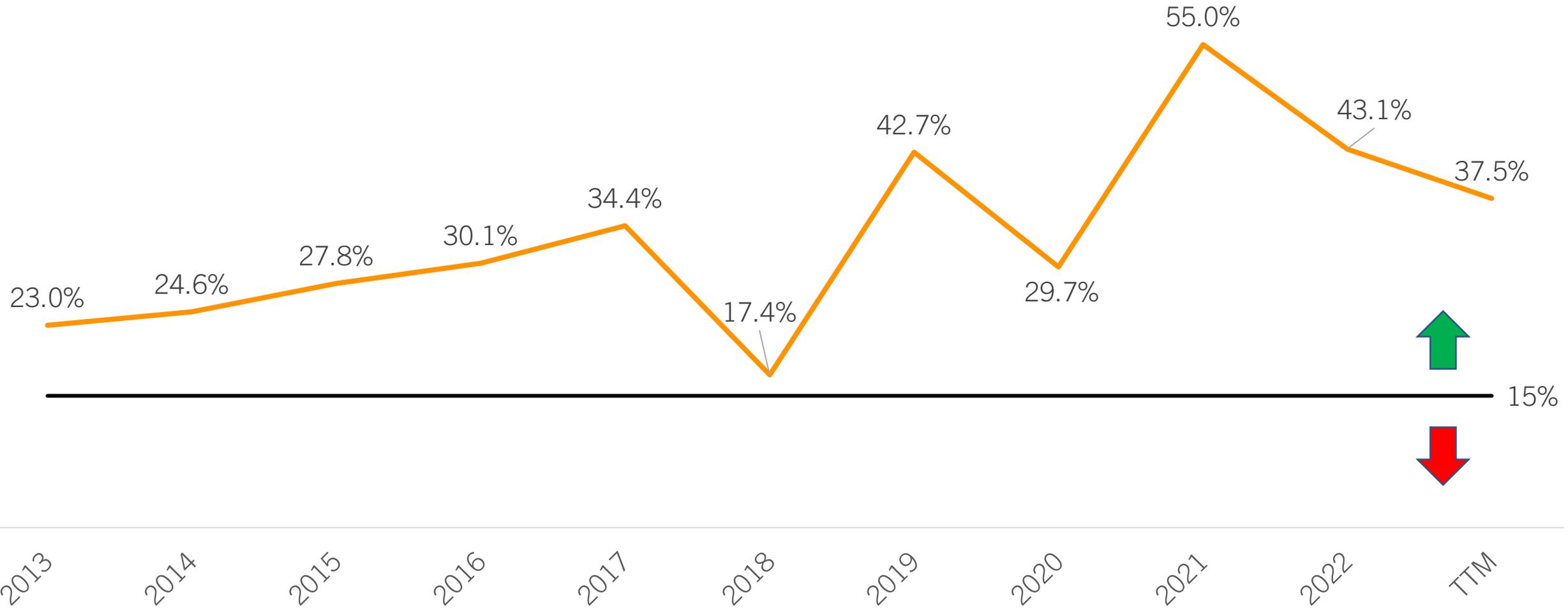
NET MARGIN



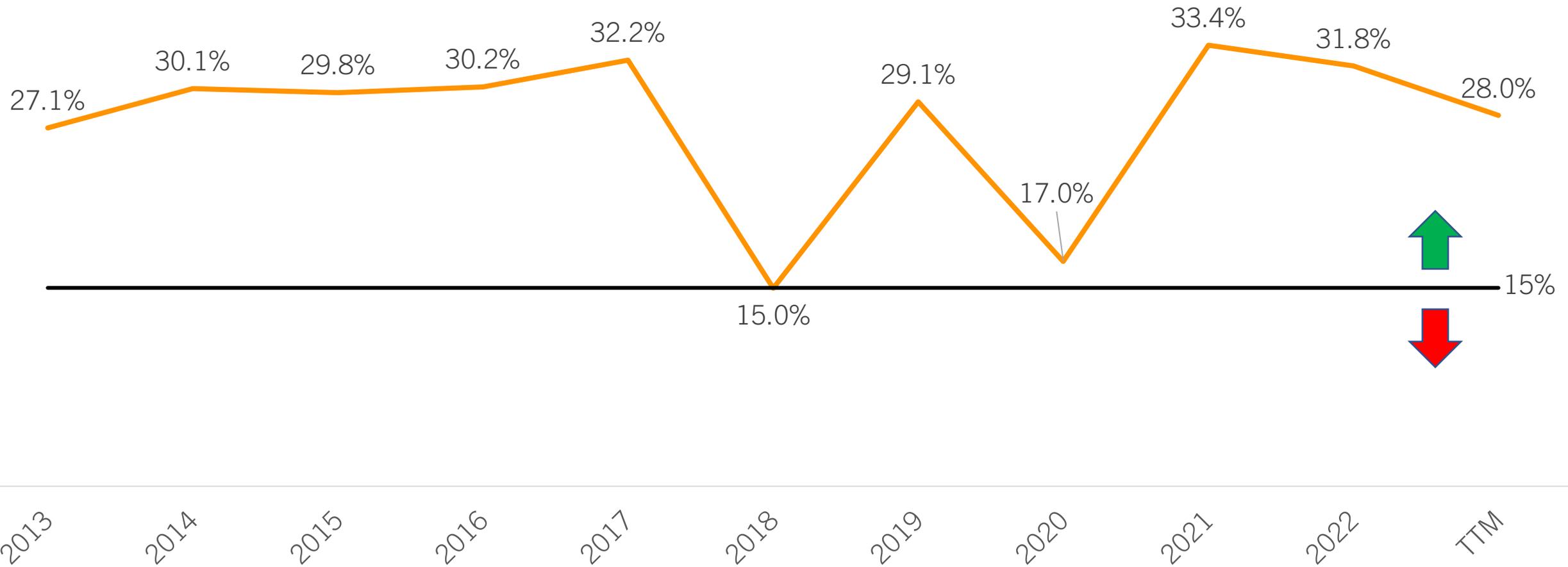
FREE CASH FLOW MARGIN



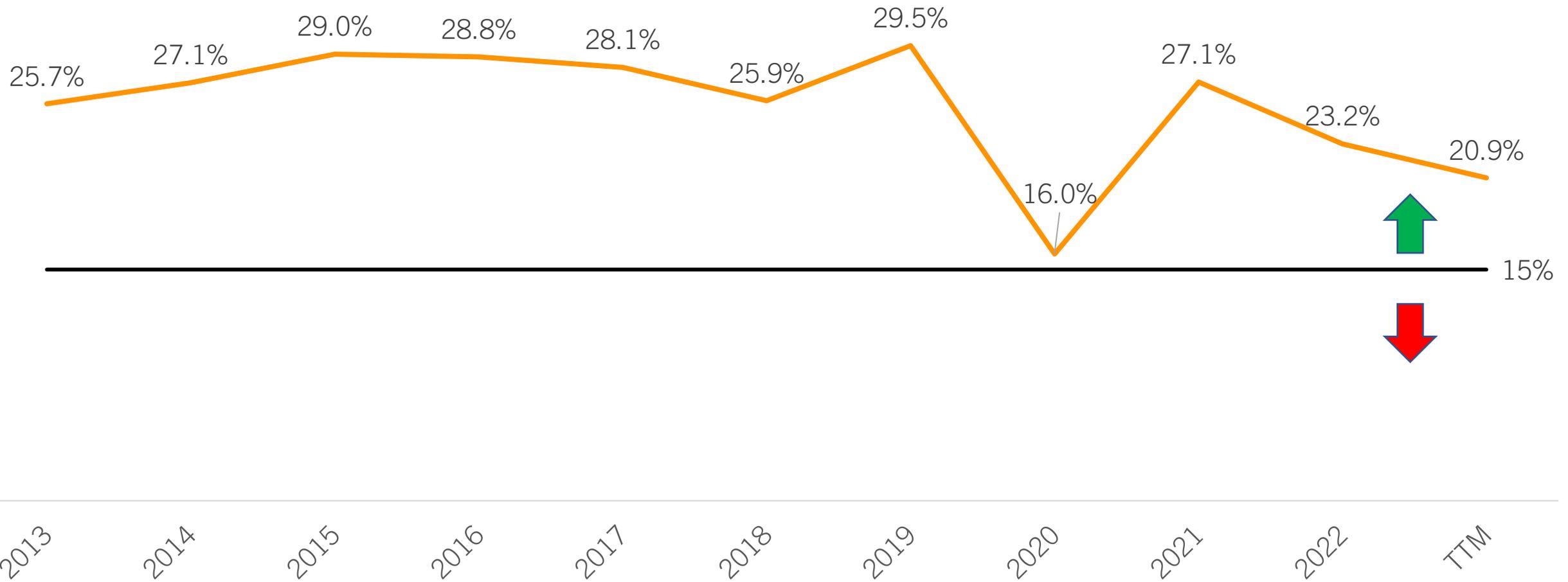
RETURN ON EQUITY



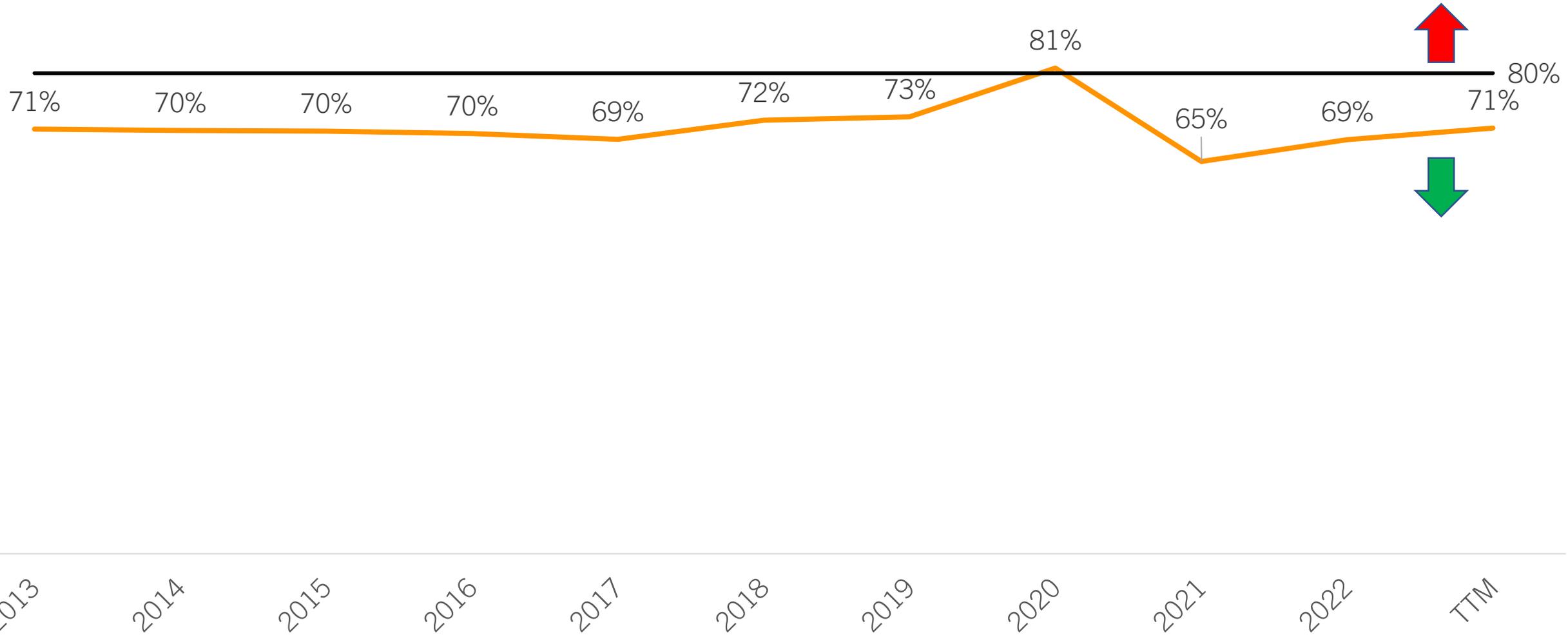
RETURN ON INVESTED CAPITAL



RETURN ON CAPITAL EMPLOYED



SG&A AS % OF GROSS PROFIT



OBLIGATION RATIO

**In millions

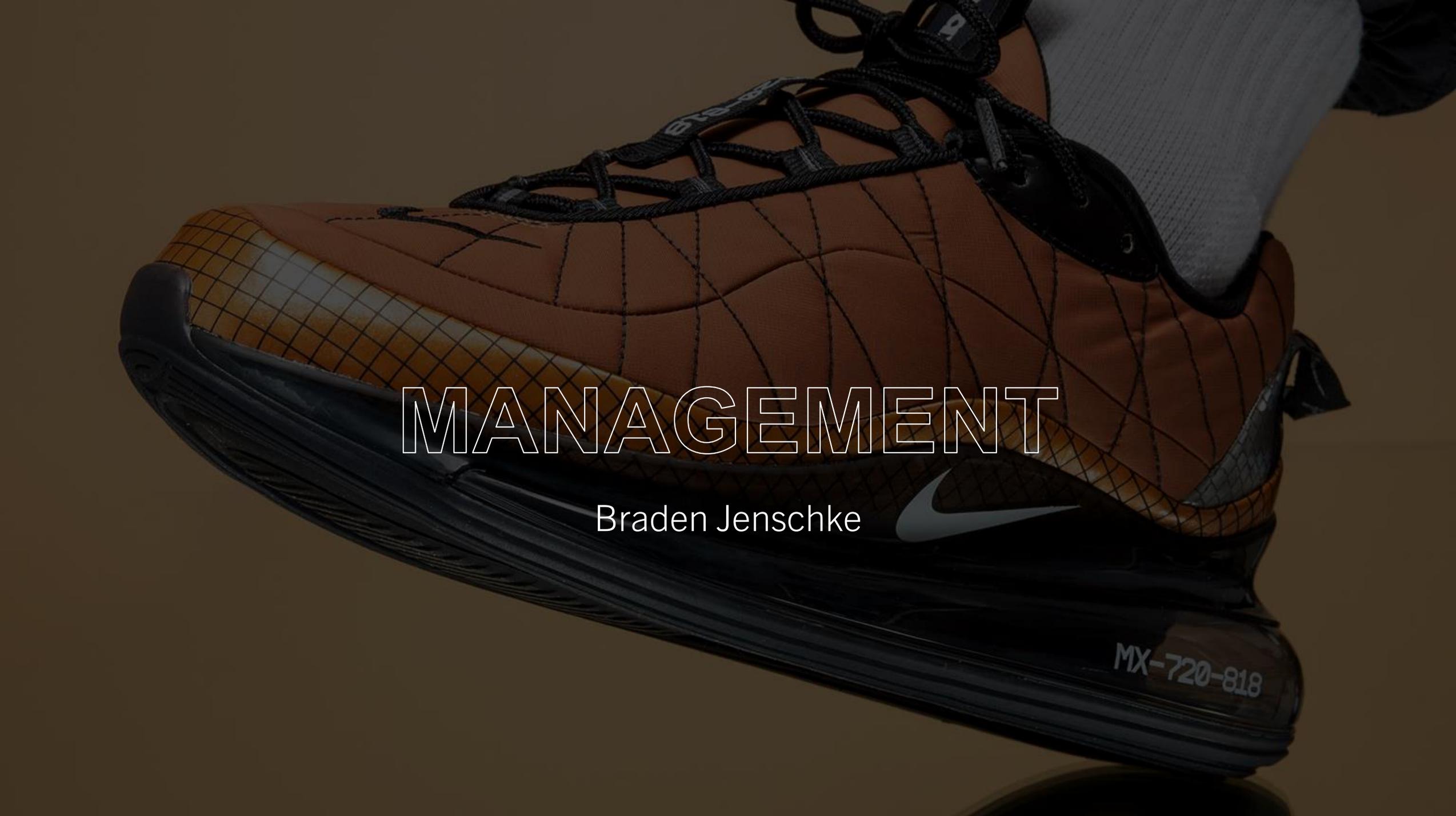
(+) LT DEBT	\$ 8,922
(+) ST DEBT	\$ 509
(+) LEASES x 7	\$ 22,120
(+) PENSION SHORTFALL	-
(+) PREFERRED STOCK	-
(-) CASH	\$ 7,226
(/) NET INCOME	\$ 5,640
OBLIGATION RATIO	4.31 Years



DEBT MATURITY SCHEDULE

Due Date	Original Principal (in millions)	Interest Rate	Book Value Outstanding (in millions)
May 2023	\$500	2.25%	\$499
March 2025	\$1,000	2.40%	\$995
Nov. 2026	\$1,000	2.38%	\$996
March 2027	\$1,000	2.75%	\$995
March 2030	\$1,500	2.85%	\$1,490
March 2040	\$1,000	3.25%	\$986
May 2043	\$500	3.63%	\$496
Nov. 2045	\$1,000	3.88%	\$984
Nov. 2046	\$500	3.38%	\$491
March 2050	\$1,500	3.38%	\$1,481
Total	\$9,500	Total	\$9,413.00





MANAGEMENT

Braden Jenschke

MX-720-818

MANAGEMENT



Philip H. Knight

Chairman Emeritus

- Co-Founder of Nike
- President from 1968 to 1990 and June 2000 to 2004



Mark Parker

Executive Chairman

- President & CEO for 14 years
- Mark's focus on innovation led the way for Nike Air



John Donahoe

President and CEO

- Became CEO in 2020, but has served the board since 2014
- He was the president and CEO of ServiceNow and of eBay Inc.



MANAGEMENT



Andy Campion

Chief Operating Officer

- Joined Nike in '07 and served as CFO from '15 to '20
- Board of Directors for L.A. 2028 Olympic and Paralympic Games



Matthew Friend

EVP & Chief Financial Officer

- Joined Nike in '09, became CFO in '20
- Held leadership roles at Goldman Sachs and Morgan Stanley



Dirk-Jan "DJ" Van-Hameren

Chief Marketing Officer

- Joined Nike in 1992 and became CMO in 2018
- Oversees global marketing efforts for NIKE



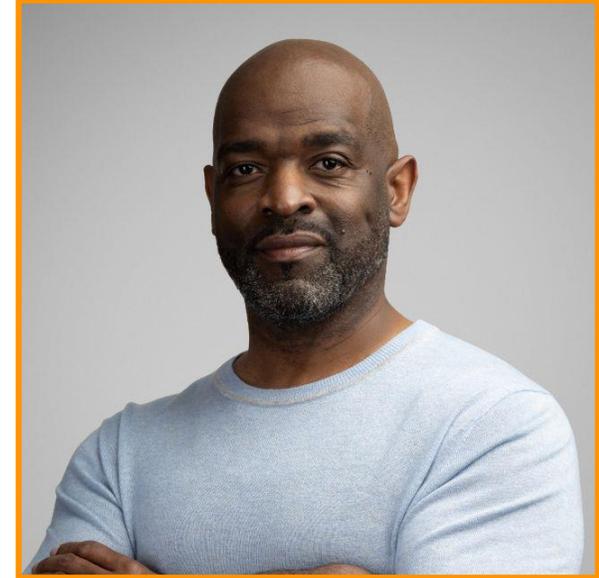
MANAGEMENT



G. Scott Uzzell

President & CEO, Converse

- President of Converse since 2019
- Held leadership roles at Coca-Cola, Nabisco, Procter & Gamble



Craig Williams

President, Jordan Brand

- Joined Nike in 2019
- Held leadership roles at Coca-Cola, McDonalds, U.S. Navy as a Nuclear Power Officer



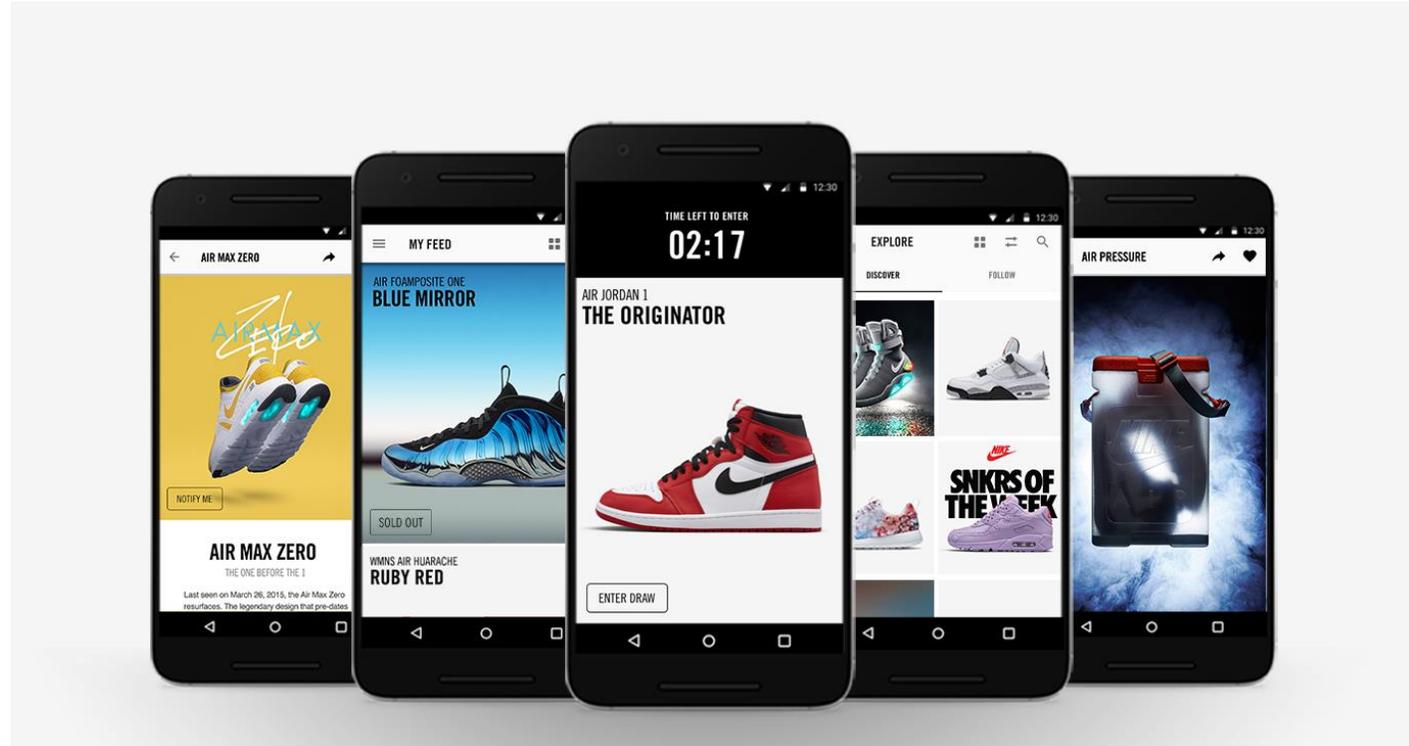
MANAMENT



Heidi O'Neill

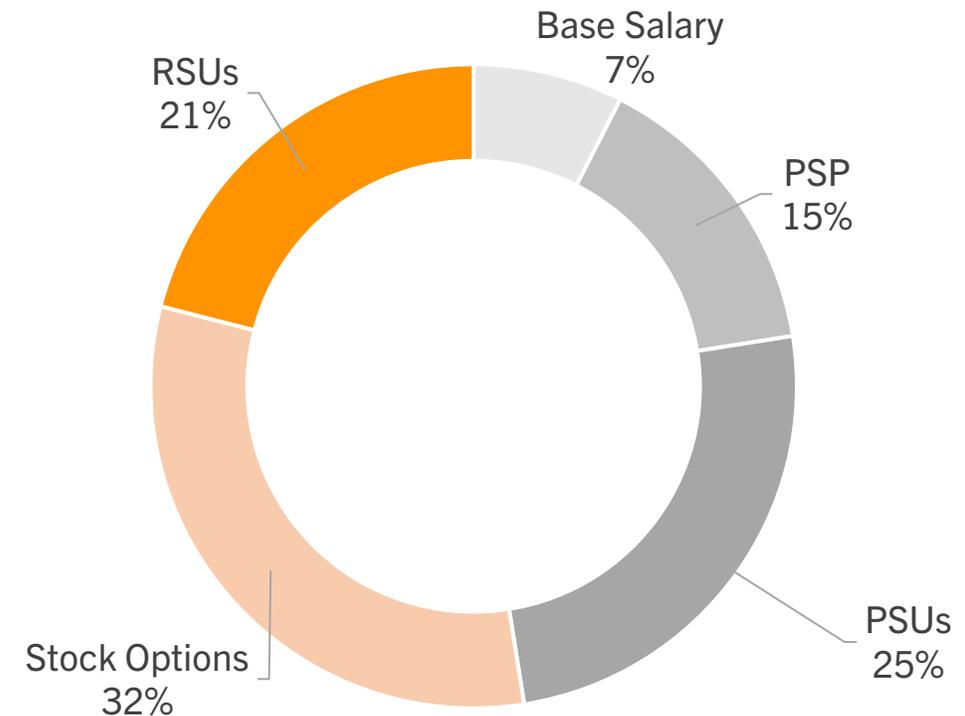
President, Consumer and Marketplace

- Oversees NIKE Direct, all stores, e-commerce, and apps globally
- Leads Nike's four geographic segments and North America's Apparel Business
- Been with Nike since 1998



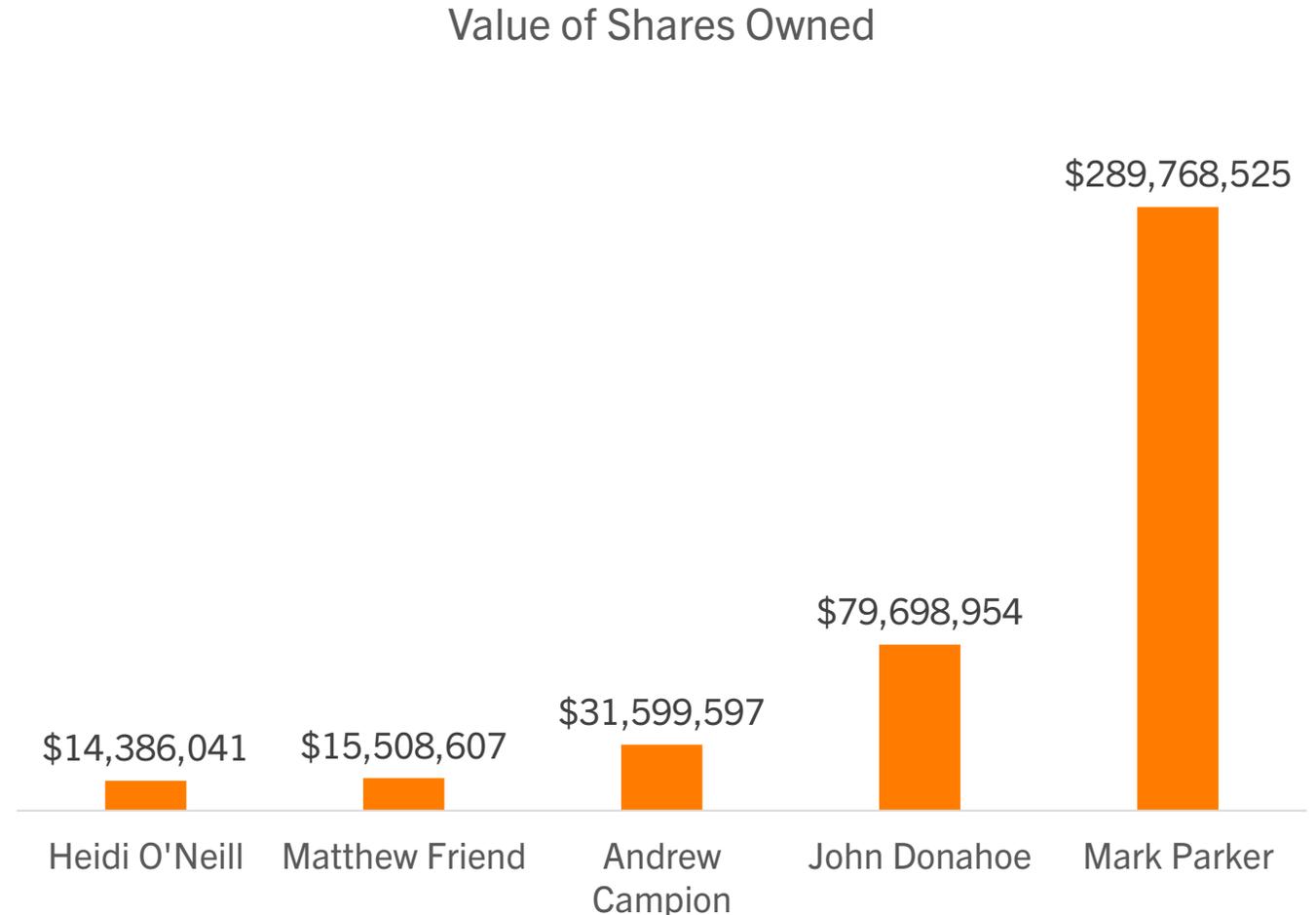
CEO COMPENSATION STRUCTURE

- 93% of compensation is incentive based
- 84% is based on long-term performance
- Stock awards are 100% of the long-term incentive awards
 - 73% of these stock awards are performance-based



OWNERSHIP REQUIREMENTS

- CEO – 8x Base Salary
 - John Donahoe: \$1.5M
- Other Executive Officers – 3x Base Salary
 - Matthew Friend: \$1.05M
 - Andrew Campion: \$1.22M
 - Heidi O’Neill: \$1.22M





CAPITAL ALLOCATION

William Errett

JUST DO IT

CAPITAL ALLOCATION

Increasing Stock Buybacks

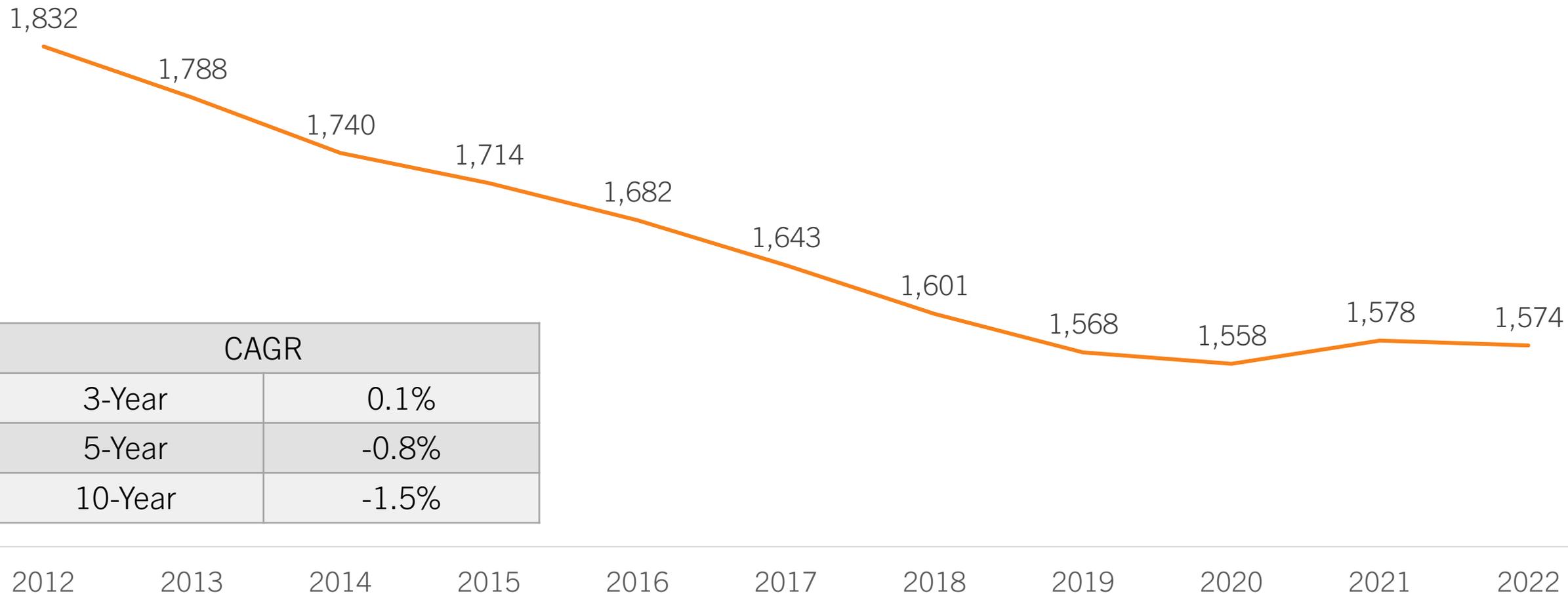
Expires in FY2023
\$15
Billion in
Stock
Buybacks

Starting in FY2023
\$18
Billion in
Stock
Buybacks
in 4 Years



SHARES OUTSTANDING

In Millions

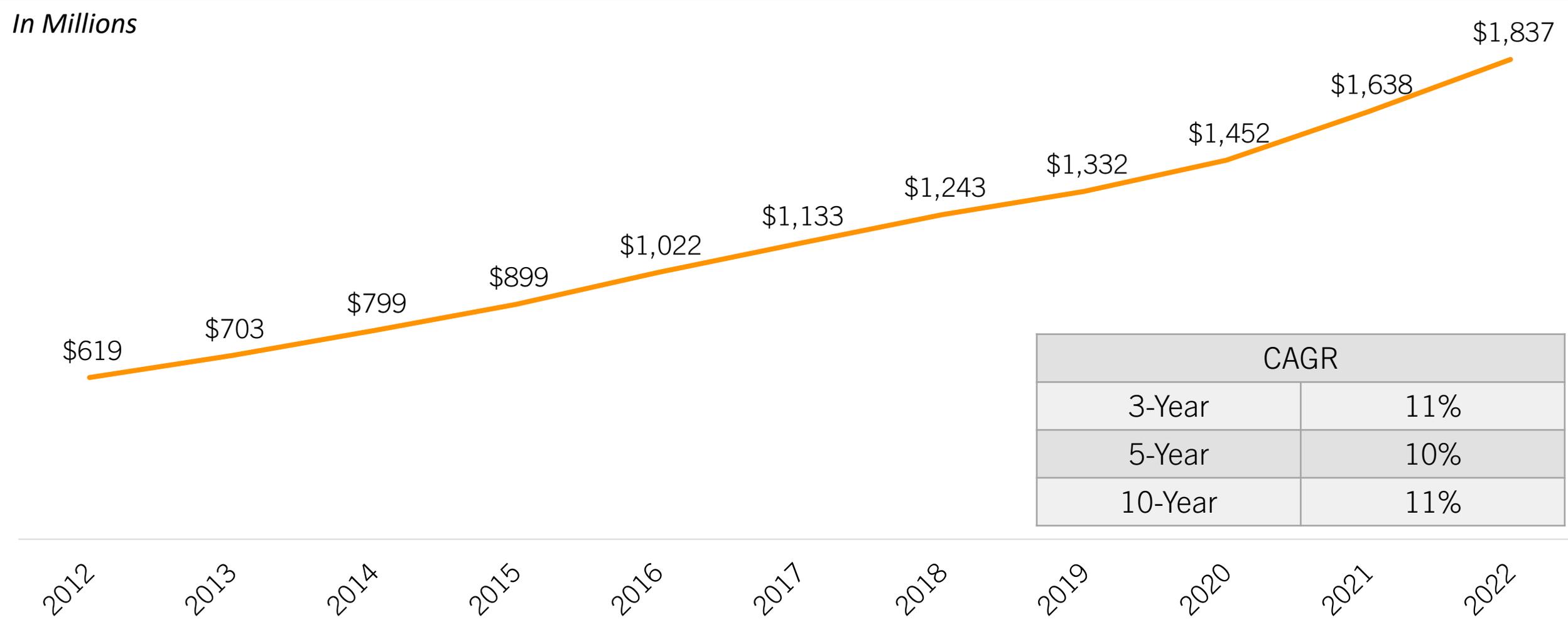


CAGR

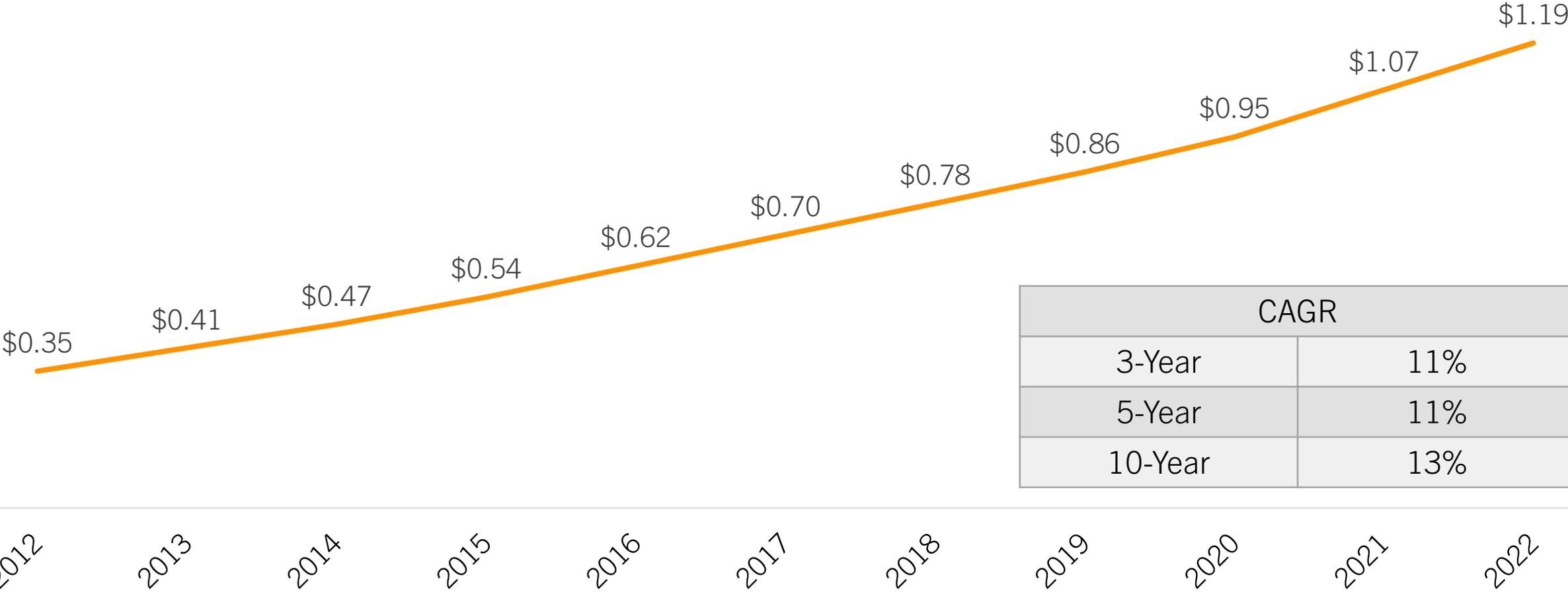
3-Year	0.1%
5-Year	-0.8%
10-Year	-1.5%



DIVIDENDS PAID



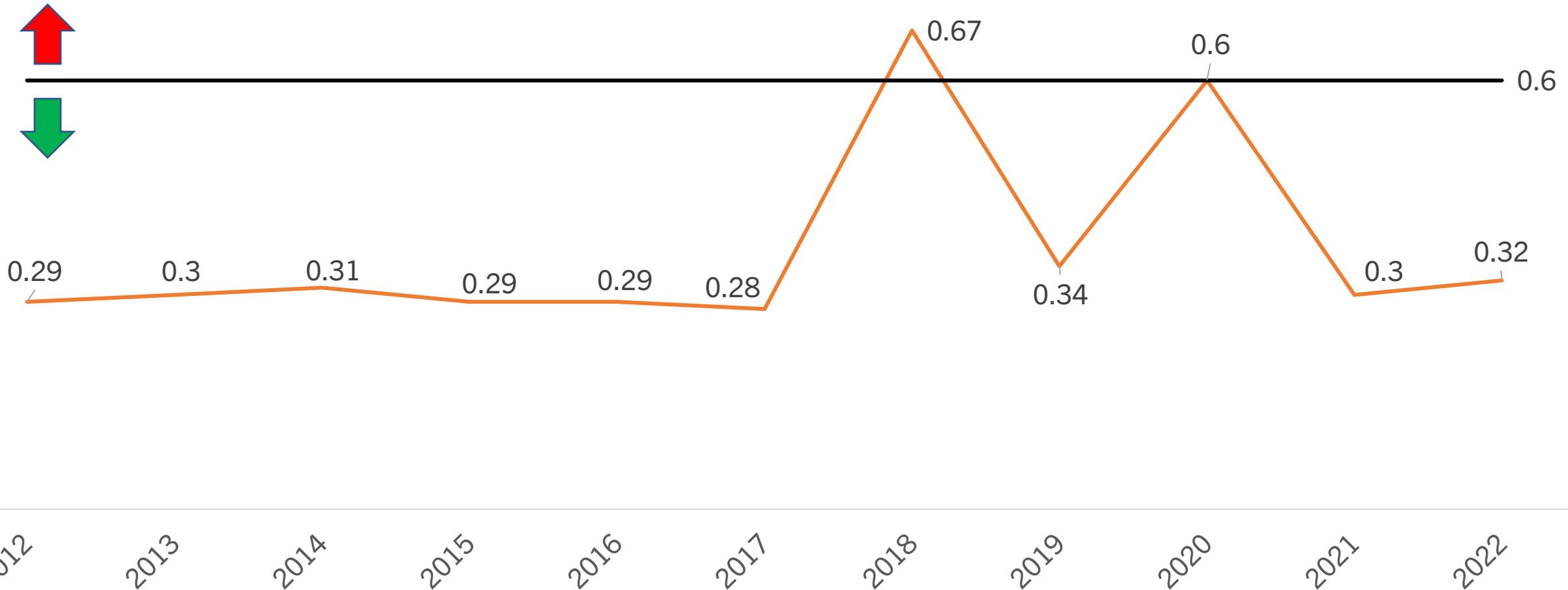
DIVIDENDS PER SHARE



CAGR	
3-Year	11%
5-Year	11%
10-Year	13%



DIVIDEND PAYOUT RATIO



ACQUISITIONS

ZODIAC

- Acquired in 2018
- Consumer Data Analytics Company

celect

- Acquired in 2019
- Predictive Analytics Company

DATALOGUE

- Acquired in 2021
- Machine Learning Data Analytics Company

Improve DTC
Marketing & Sales



DIVESTITURES

Hurley)(

- Global Surfing Brand Acquired by Nike in 2002 for \$95 million
- Sold for an undisclosed amount in 2019
- Nike wanted to narrow its efforts to focus on Direct-to-Consumer Marketing and Sales





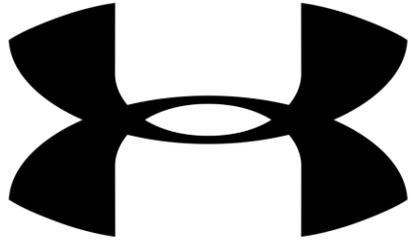
COMPETITOR ANALYSIS

Brandon Chaney

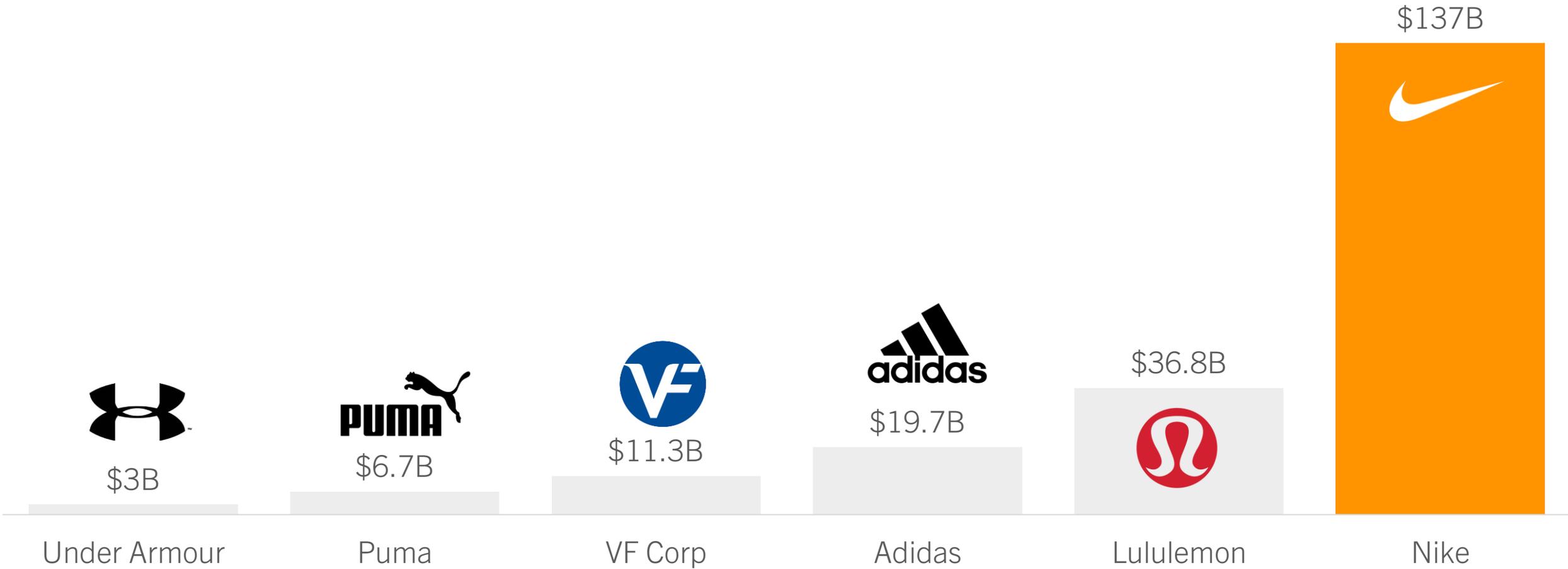
WHO SAID MAN WAS NOT MEANT TO FLY.



COMPETITORS IN OUR ANALYSIS

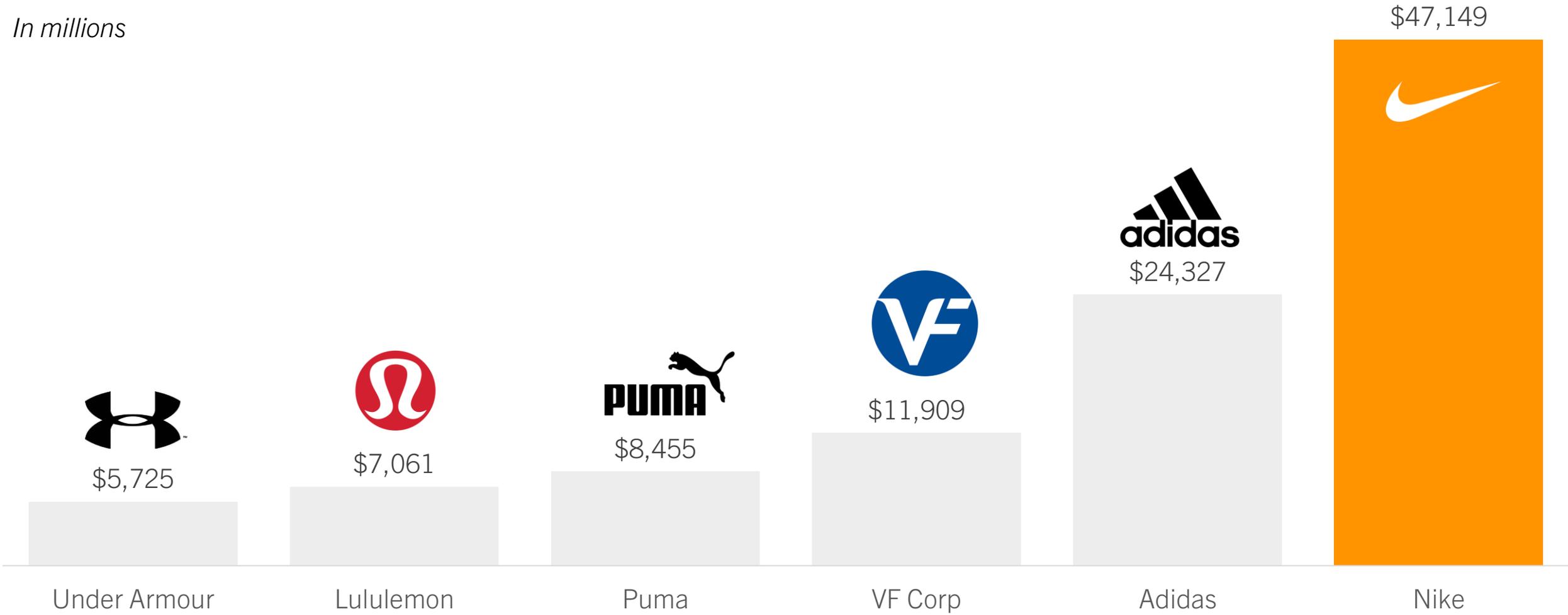


MARKET CAP

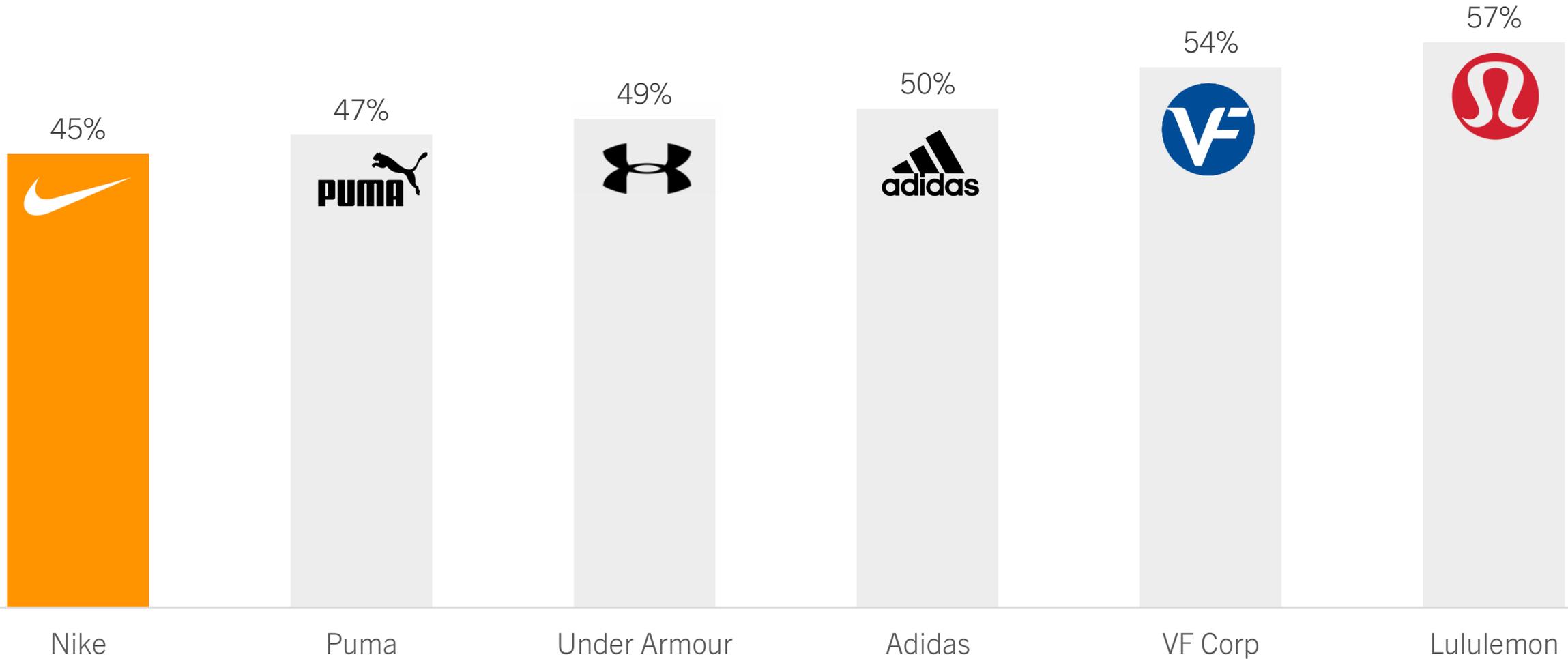


REVENUE

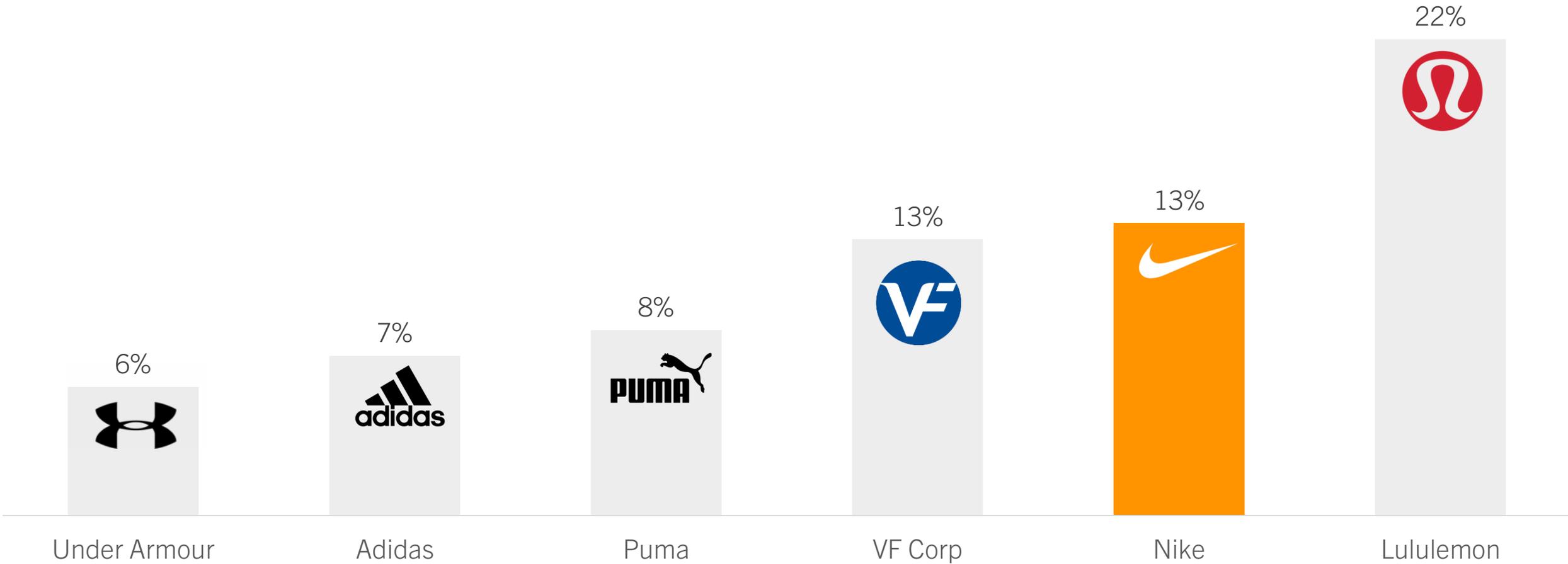
In millions



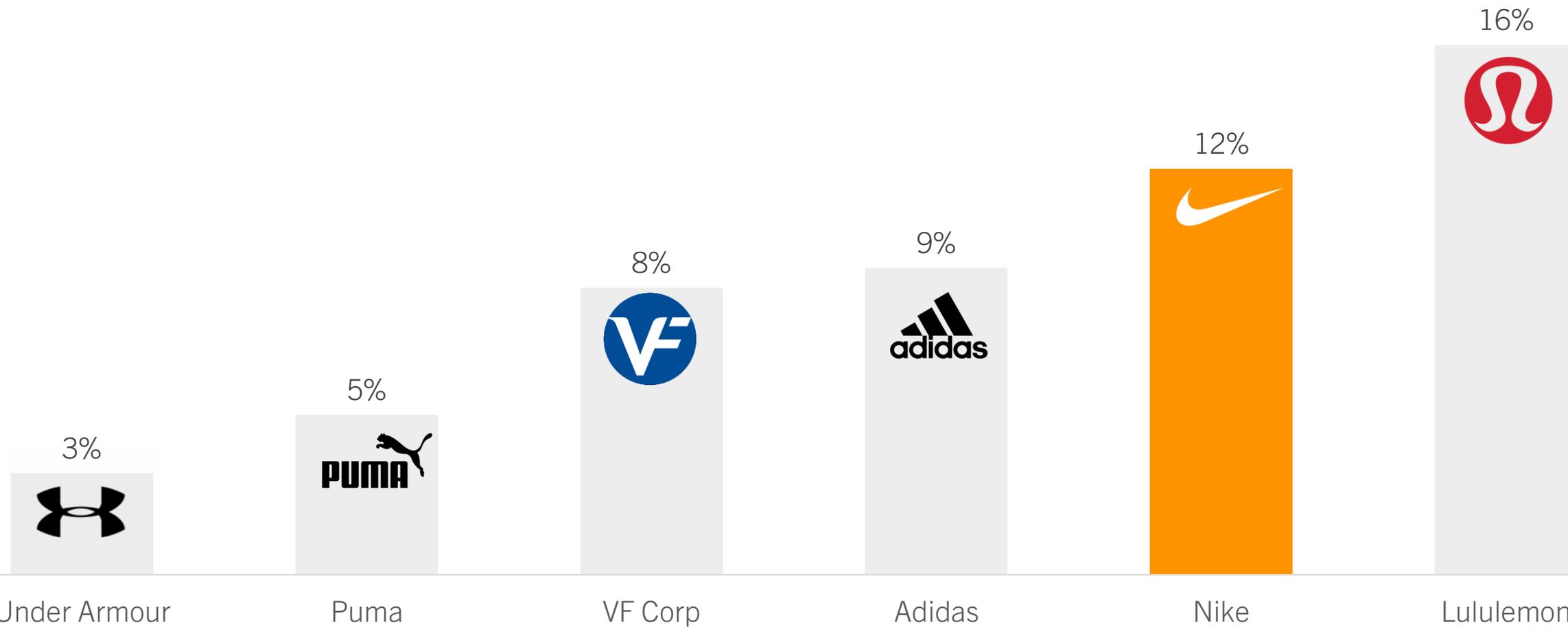
GROSS MARGIN



OPERATING MARGIN



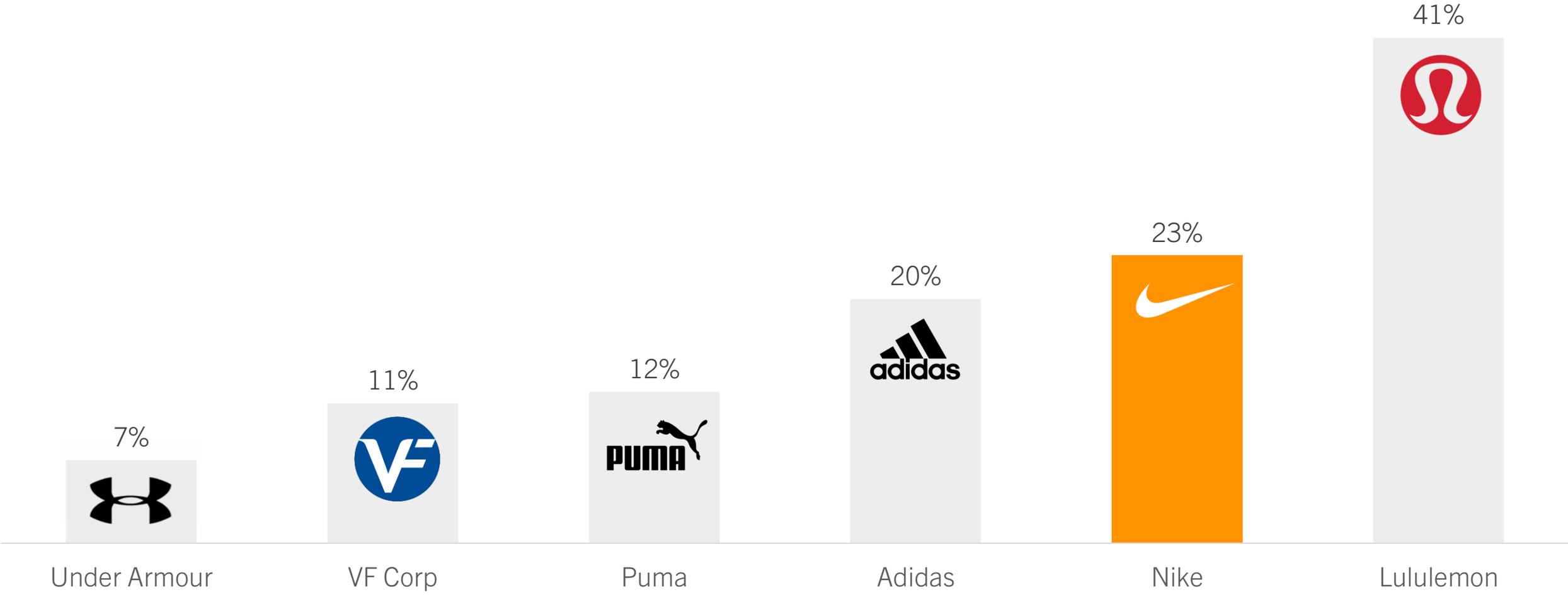
NET MARGIN



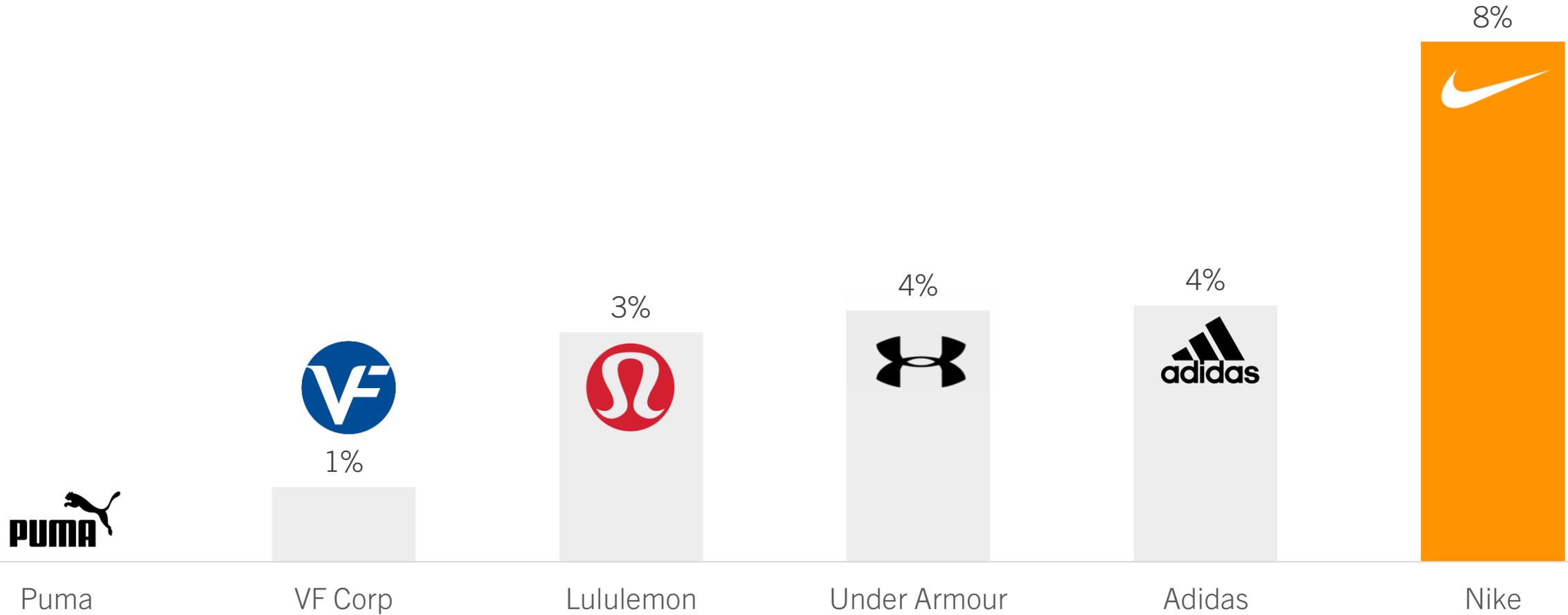
RETURN ON EQUITY



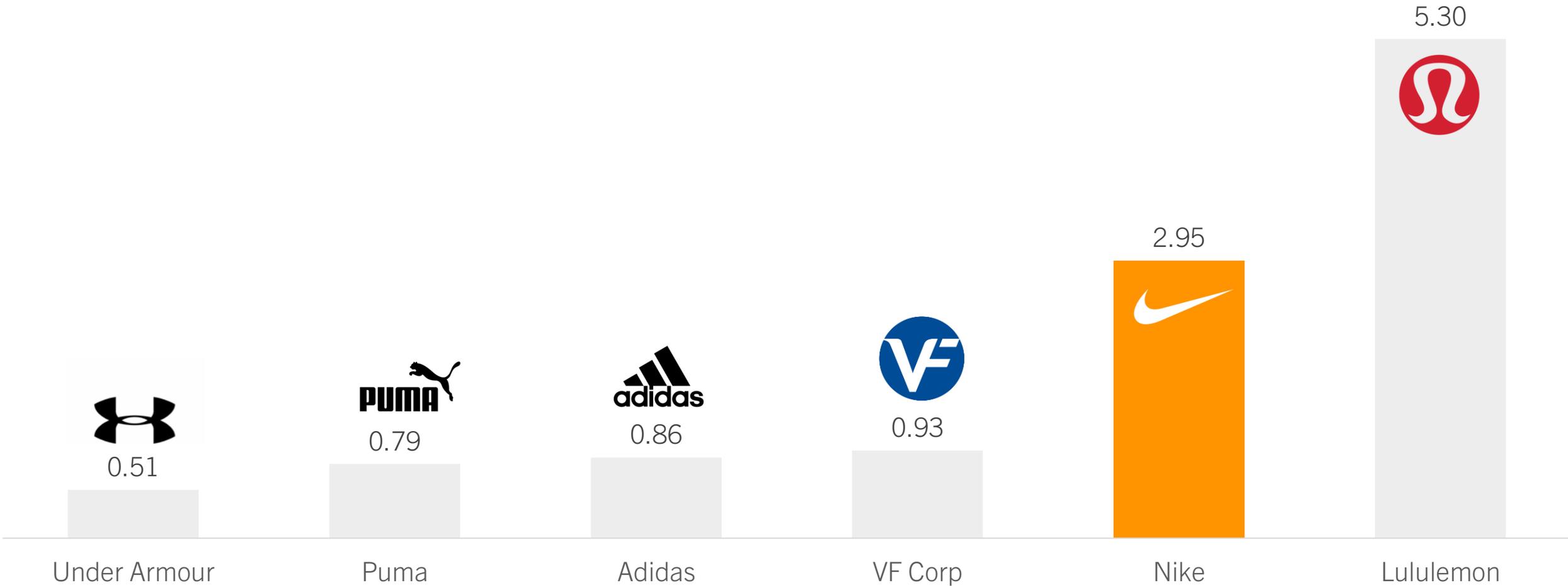
RETURN ON INVESTED CAPITAL (ROIC)



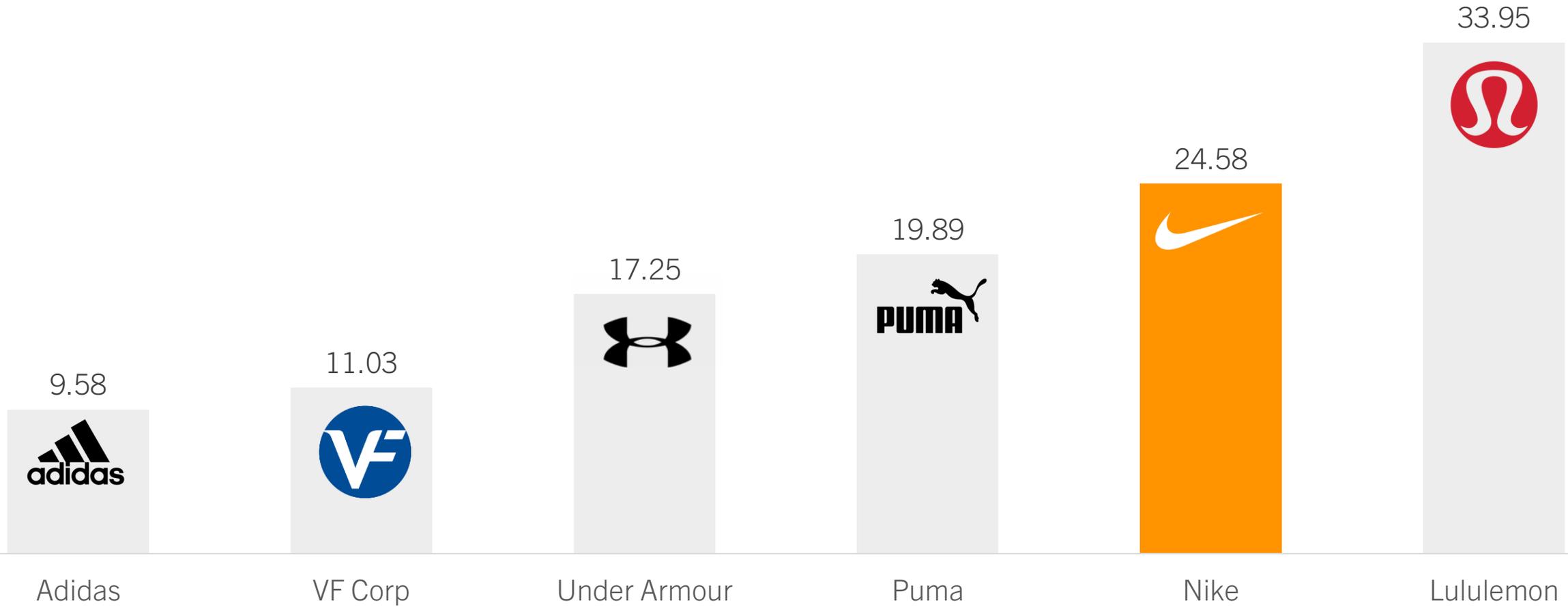
FREE CASH FLOW MARGIN



PS RATIO



PE RATIO



ECONOMIC MOAT

Braden Jenschke

Just do it.



TYPES OF ECONOMIC MOATS



**SWITCHING
COSTS**



**NETWORK
EFFECT**



**COST
ADVANTAGES**



**INTANGIBLE
ASSETS**



SWITCHING COSTS

- Switching Costs - Consumer shifts from one product to another they incur a switching cost
 - Becomes embedded in its client's operations, making it difficult for that client to switch to a competitor.



NETWORK EFFECT

- **Network effect** - occurs when a good or service becomes more valuable as more people use it
 - Credit card processors like Mastercard and Visa
 - Nearly any business that you go to will accept these cards as a payment

The VISA logo is displayed in a bold, blue, sans-serif font.

COST ADVANTAGES

- **Cost Advantages** - When a company can produce a product or service at a lower cost than its competitors
 - Companies like Dollar General have become so efficient at reducing their costs it allows them to charge less for their products



INTANGIBLE ASSETS

- **Intangible Assets** - a resource that has no physical presence and has long-term value for a business
 - A prime example of this is Nike with their brand, logo, and partnerships



INTANGIBLE ASSETS



**GLOBAL BRAND
RECOGNITION**



**STRATEGIC
PARTNERSHIPS**

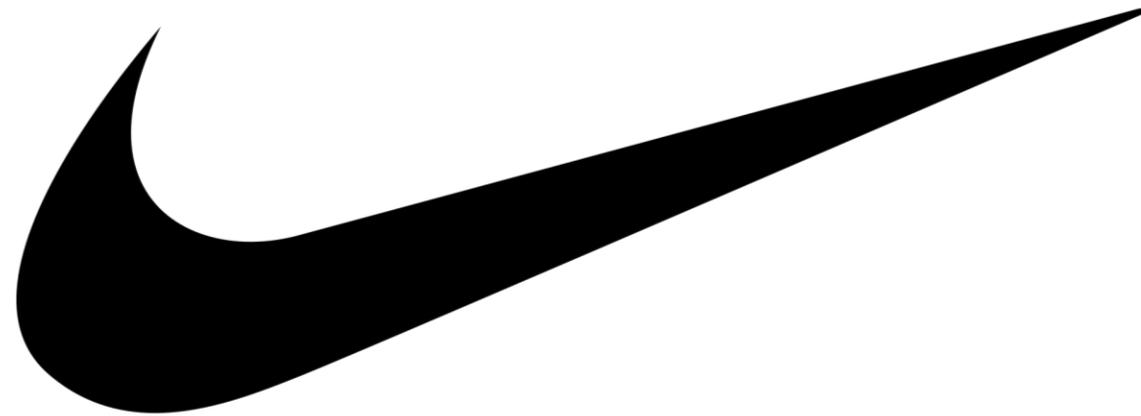


MANAGEMENT TEAM



"WHAT IS THAT LOGO?"

WHAT IS THAT LOGO ?



WHAT IS THAT LOGO ?



JORDAN BRAND

- Signed with Nike in 1984
- NBA: Fined Jordan \$5,000 every time he wore the shoes
- Nike estimated \$3 million in sales for the first four years
- Nike had \$126 million in AJ1 sales in the first year



INDIVIDUAL PLAYER BRANDS

Kevin Durant



Tiger Woods



LeBron James

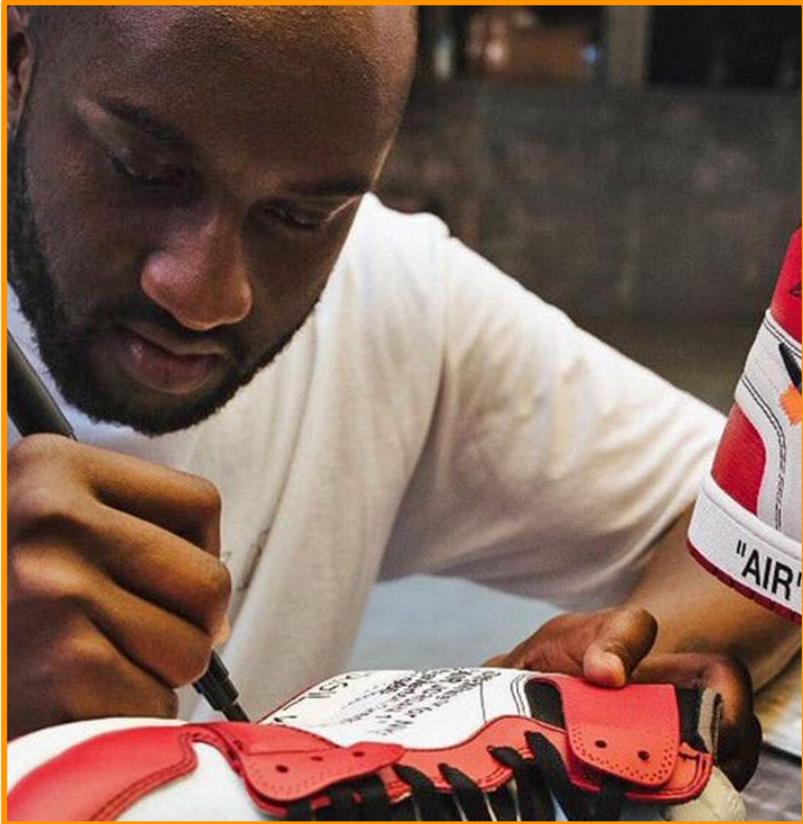


Cristiano Ronaldo



ARTIST PARTNERSHIPS

Virgil Abloh



Jerry Lorenzo



Travis Scott



SPORTS LEAGUE PARTNERSHIPS

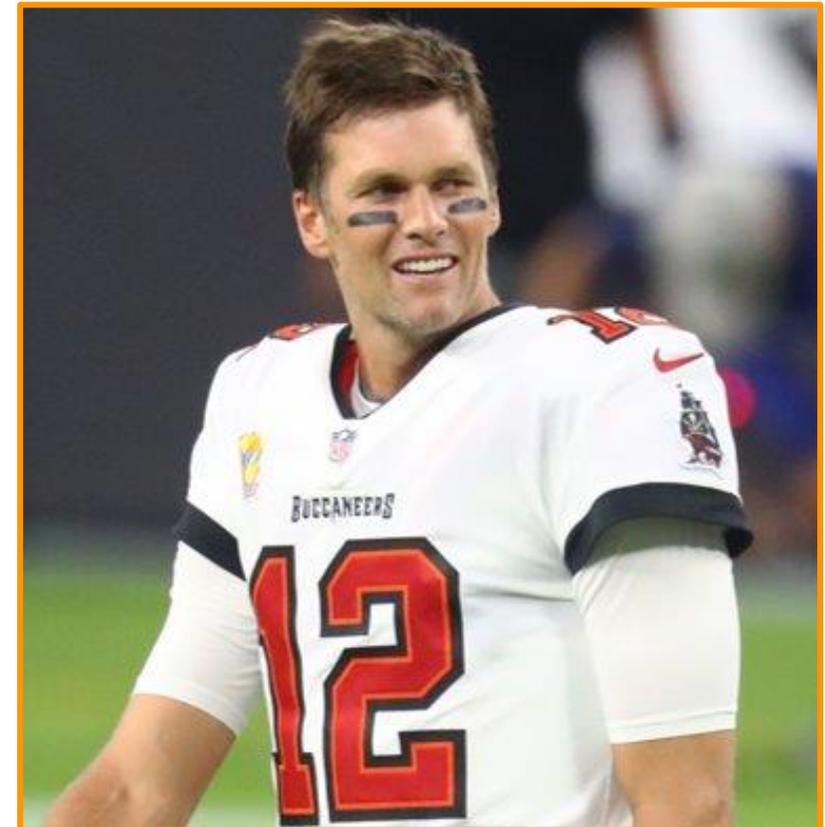
NBA



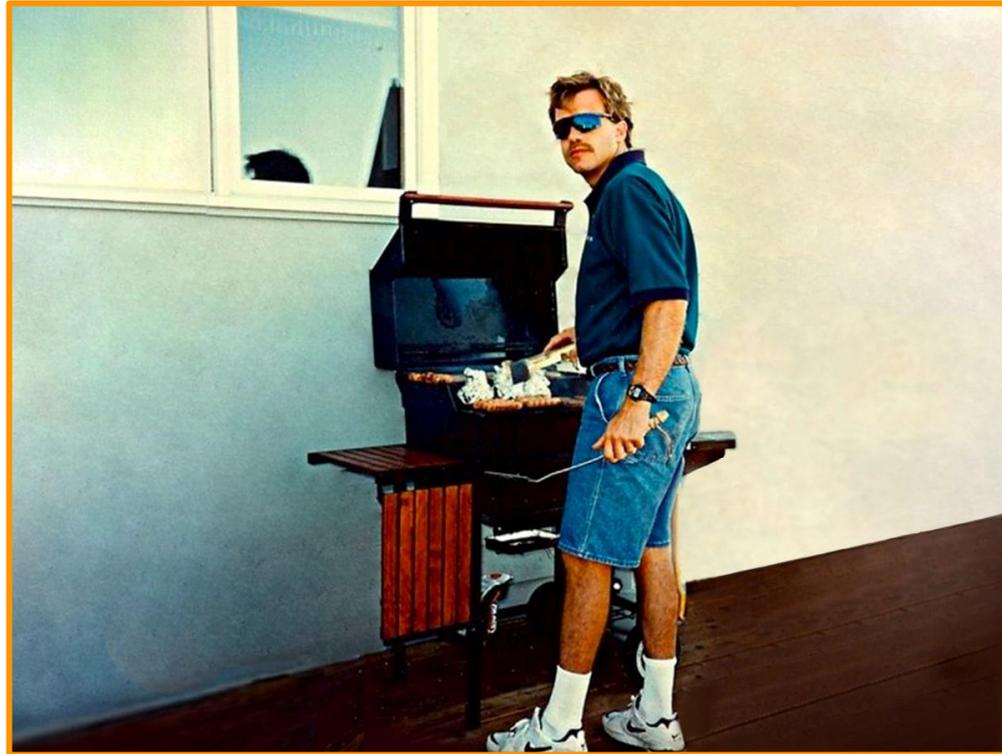
MLB



NFL



CDI FACTOR



NIKE
AIR

**NOT YOUR
DAD'S SHOE.**

The Air Monarch IV from Nike.

(Yes it is)



MANAGEMENT

The management team has extensive experience with running strong brand names:

- Coca-Cola
- SC Johnson
- McDonalds
- Procter & Gamble



INNOVATION

Marketing

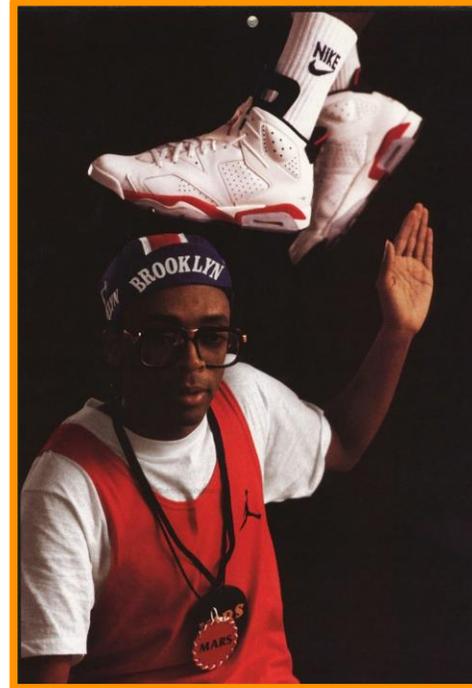
- Nike's marketing efforts for the brand and its signature athletes have made the brand iconic

Iconic Ad Campaigns

- Jordan and Spike Lee
- Lil' Penny
- LeBron and Kobe - MVPuppets
- JUST DO IT.

Product Design

- Retro Releases 20-30+ Years after original design



JUST DO IT.



A pair of Nike Air Max sneakers, primarily black with orange accents, is shown floating on a large, white, fluffy cloud. The background is a vast, blue ocean under a light, hazy sky with distant mountains on the horizon. The overall mood is serene and aspirational.

RISK FACTORS

Dylan Swanson

NIKE
AIRMAX

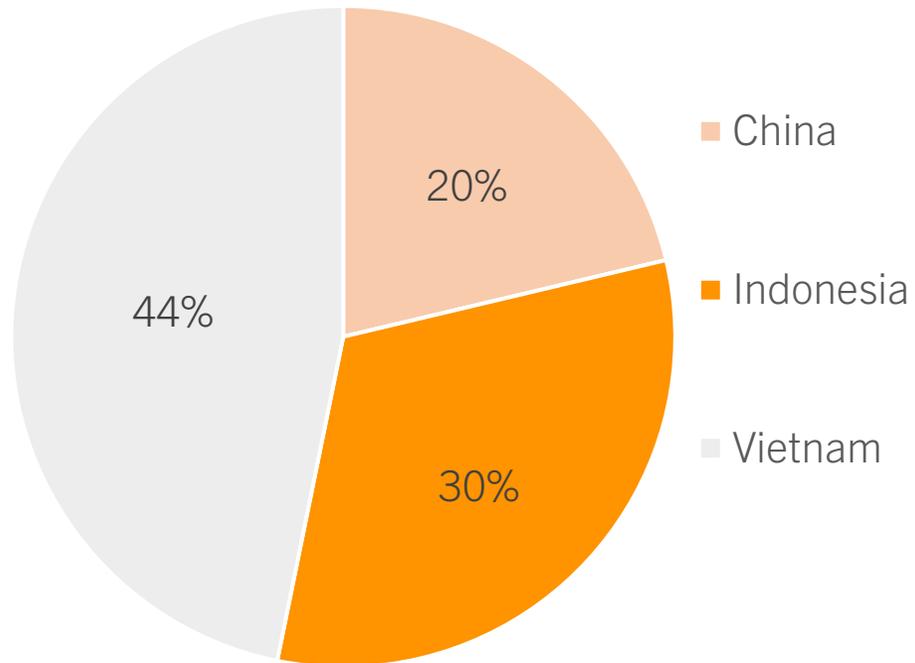
RISK FACTORS

- Large percentage of products are manufactured outside United States
- China's zero-COVID policy
- Supply chain disruption
- Inflationary pressures
- Increasingly more competitive landscape

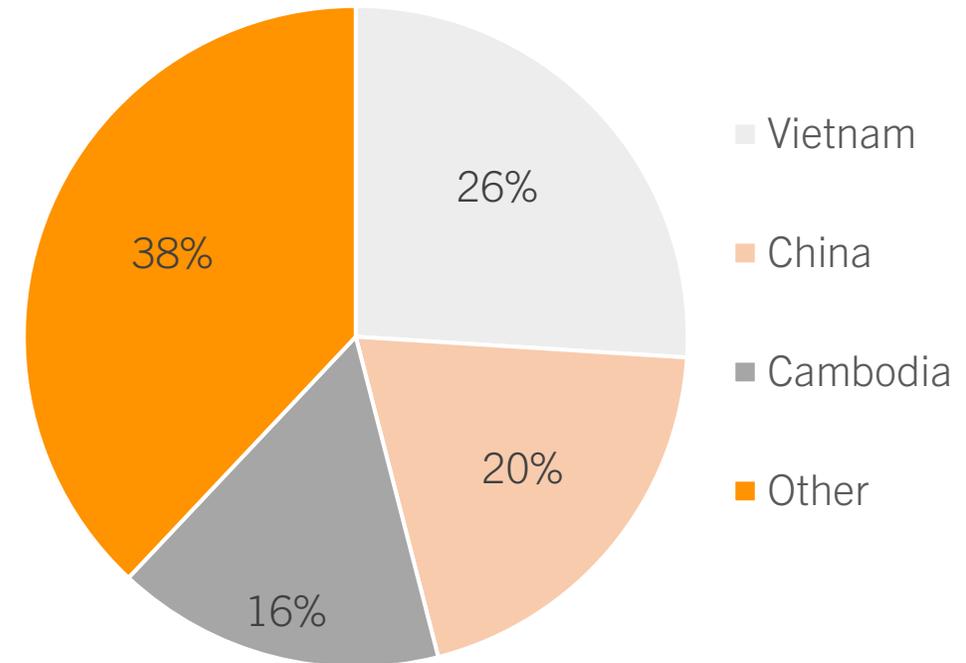


MANUFACTURING RISK

Footwear



Apparel



CHINA'S ZERO-COVID POLICY

- Resulted in city-wide lockdowns
- Store closures
- Supply chain disruption
 - Elevated lead times
 - More expensive freights
- Volatility in inventory levels

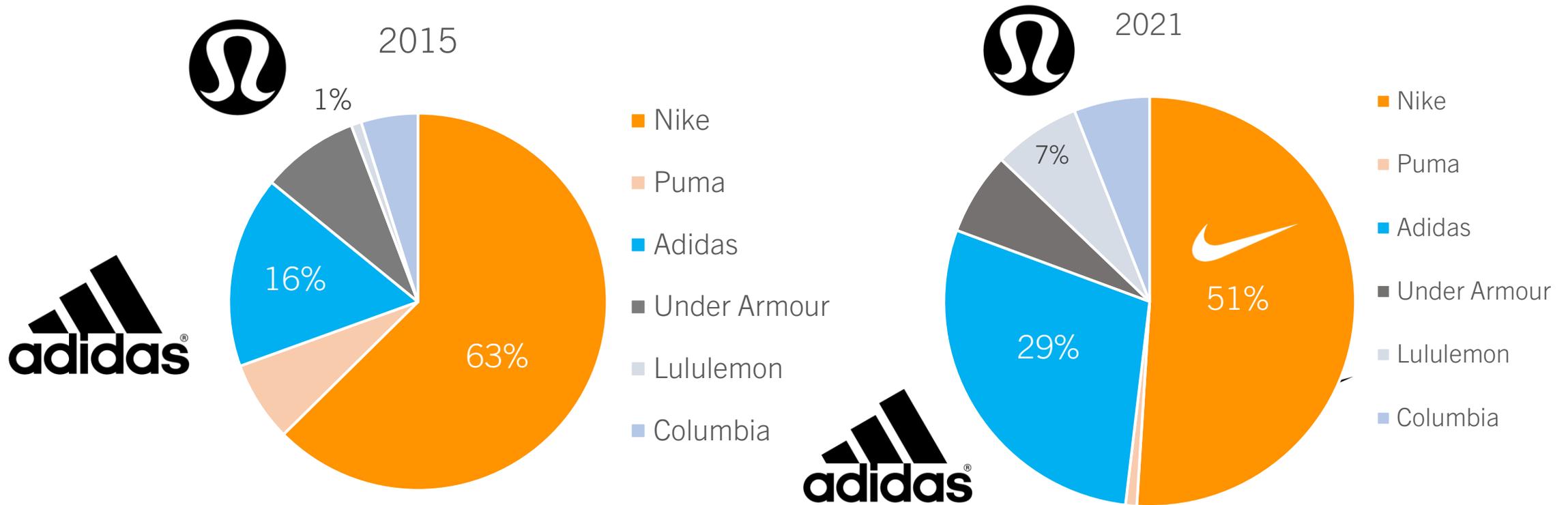


INFLATIONARY PRESSURES

- Decrease in customer purchasing power
- Less discretionary spending
- Increased input costs



INCREASINGLY COMPETITIVE LANDSCAPE





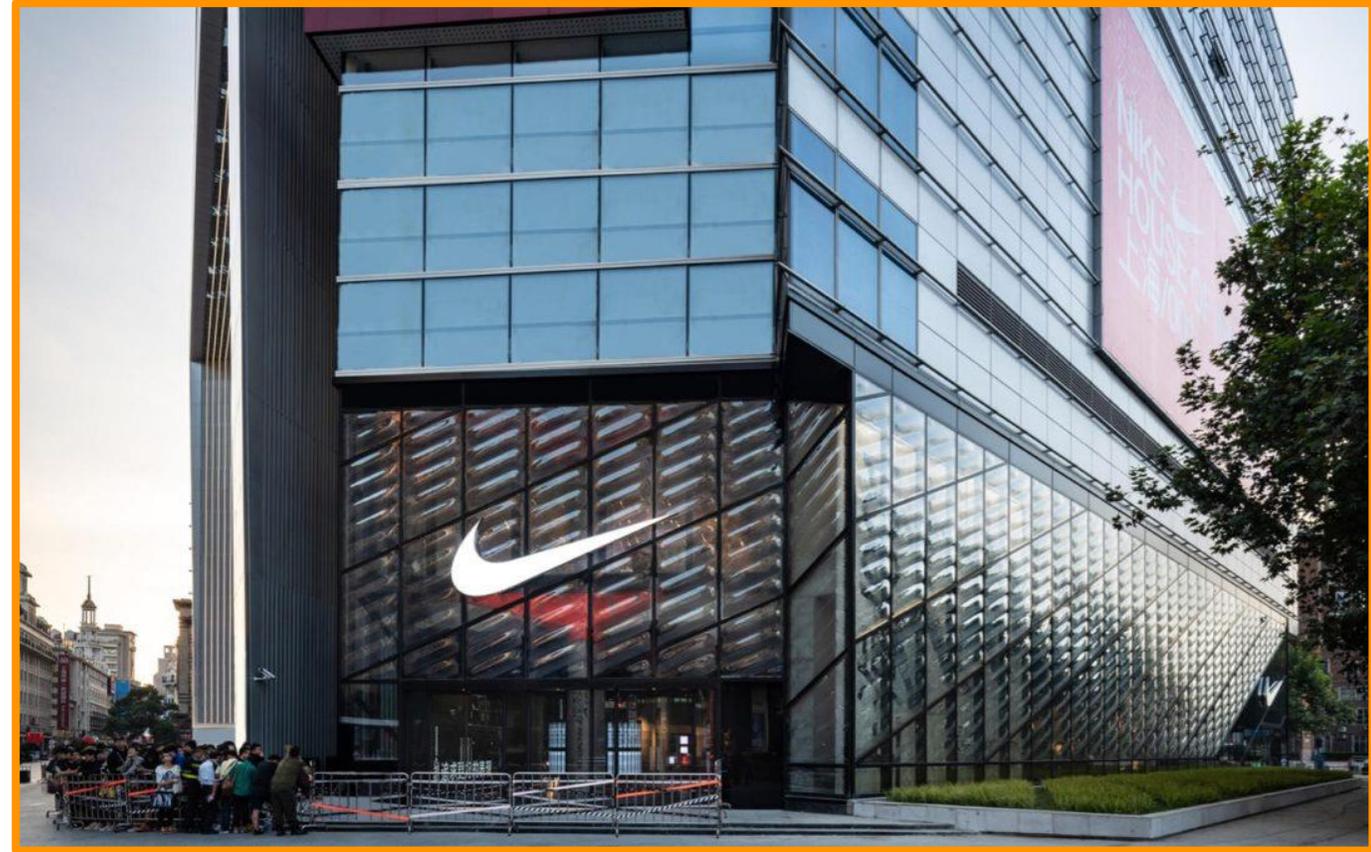
GROWTH OPPORTUNITIES

Dylan Swanson



GROWTH OPPORTUNITIES

- Expansion of DTC sales channel
 - Aims for DTC to represent 60% of revenue
 - One Sales Channel Approach
- Growing presence in emerging markets
- Margin Expansion, Membership Programs



NIKE ECOSYSTEM

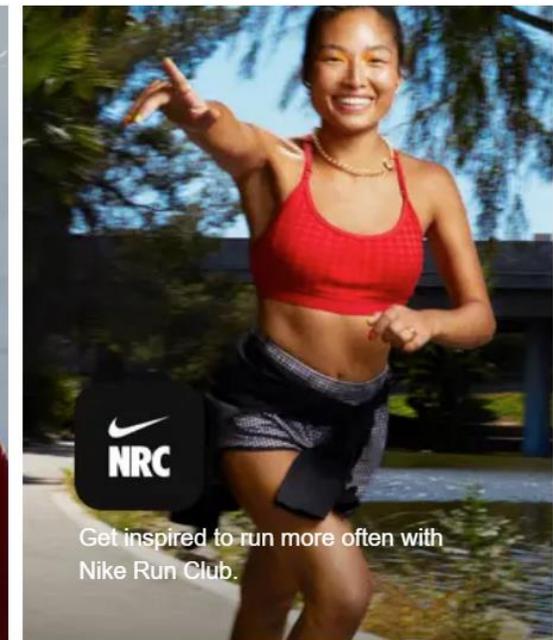
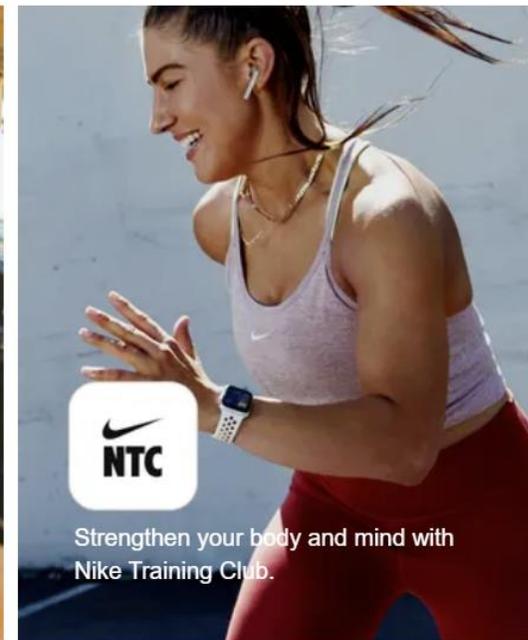
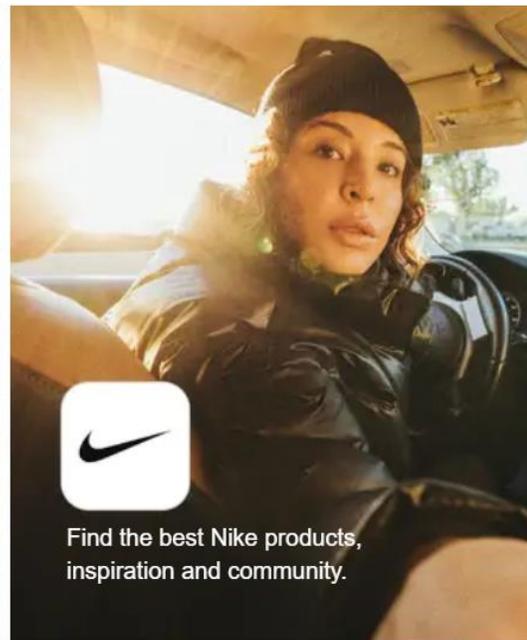
- Recurring Revenue
 - Family of Apps
 - Nike+ Membership
- NIKE RISE Store
 - Personalized Customer Experience
- Emerging Markets
 - More people worldwide transitioning into the middle class
 - More discretionary income
 - Internet Access is more widely available



FAMILY OF APPS - RECURRING REVENUE

DOWNLOAD TO JOIN THE COMMUNITY

Once you're in any Nike app, you're officially a Member.



NIKE + MEMBERSHIP – RECURRING REVENUE

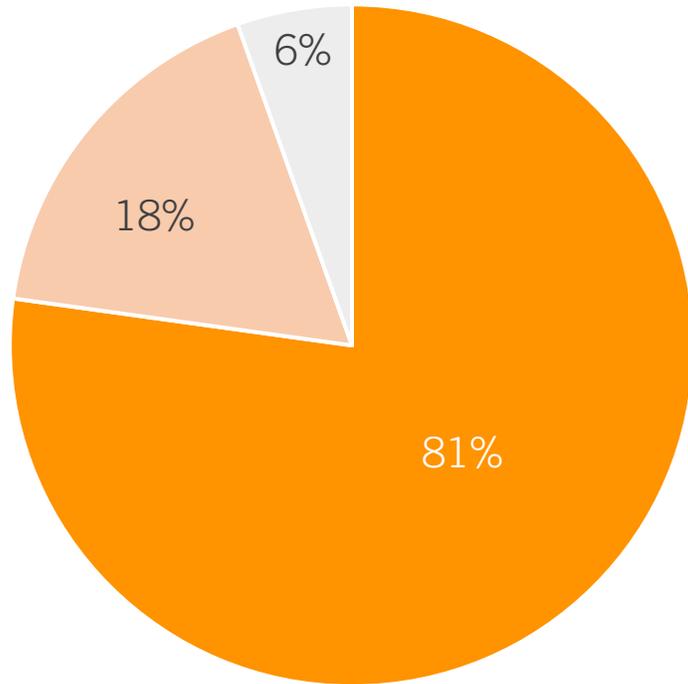


- Launched in 2016
- Single account to access all personalized services
- Over 140 million current users



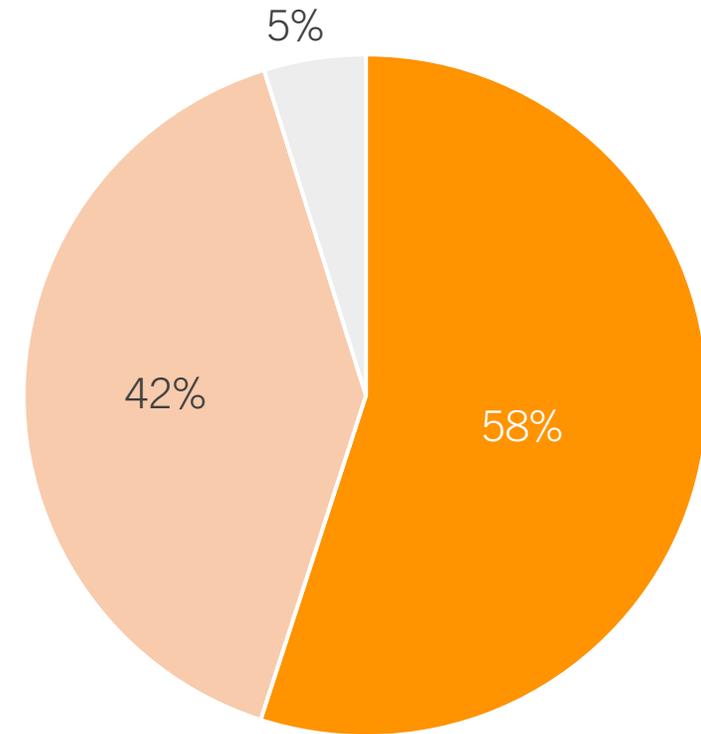
DTC vs Wholesale % OF REVENUE

2013



■ Wholesale ■ Direct ■ Global

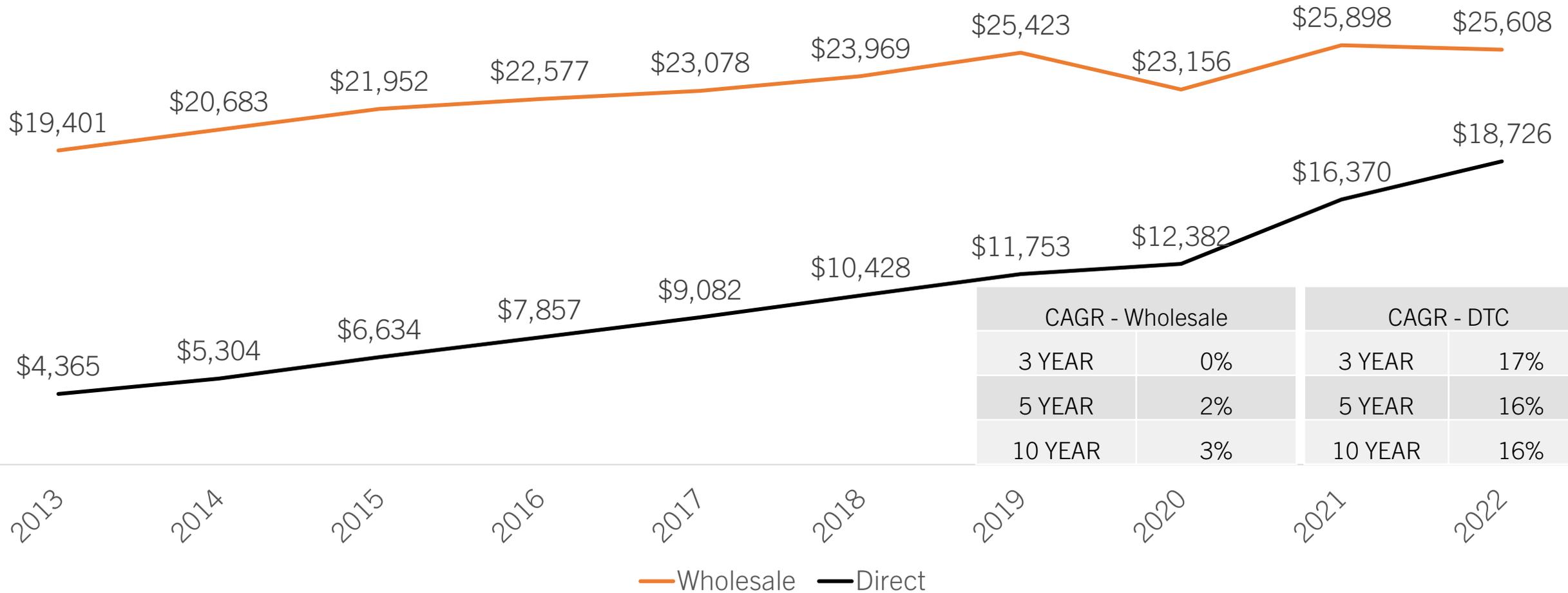
2022



■ Wholesale ■ Direct ■ Global



DTC vs Wholesale GROWTH

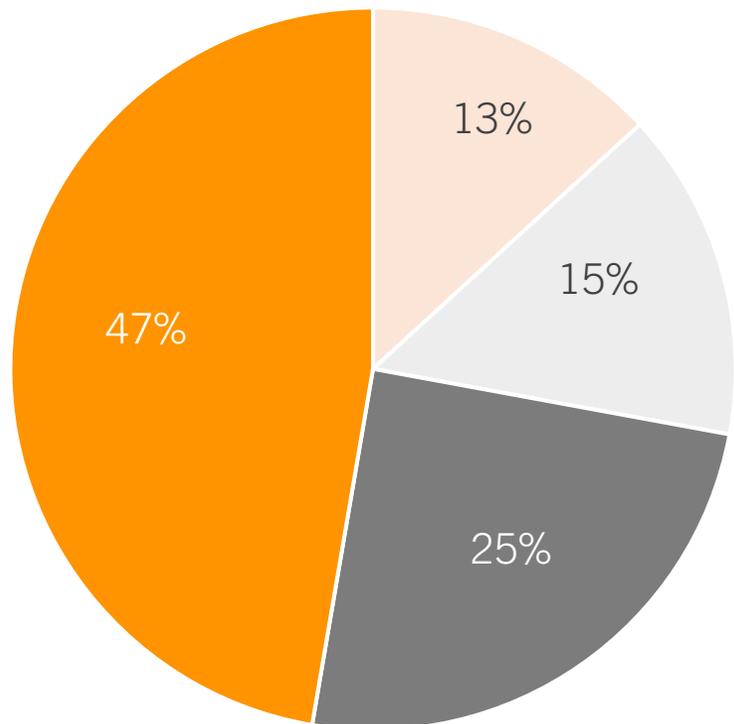


CAGR - Wholesale		CAGR - DTC	
3 YEAR	0%	3 YEAR	17%
5 YEAR	2%	5 YEAR	16%
10 YEAR	3%	10 YEAR	16%



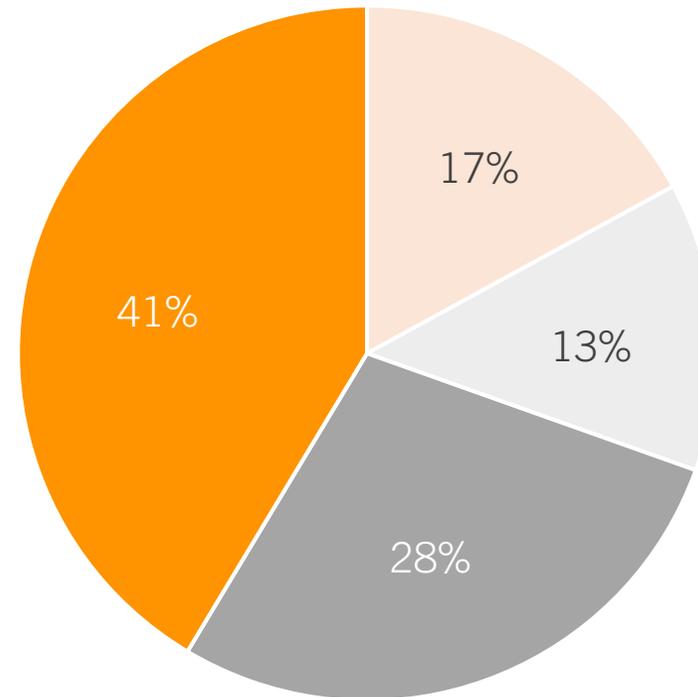
EMERGING MARKETS % OF REVENUE 2017 vs 2022

2017



China APLA EMEA North America

2022



China APLA EMEA North America



*Nike flywire technology
lock the foot down with an adaptive fit*



VALUATION

William Errett

Value Bands

Overvalued = $>80^{\text{th}}$ percentile

Fair-Valued = 35^{th} to 75^{th} percentile

Undervalued = $<30^{\text{th}}$ percentile

2013-09-30

2014-09-30

2015-09-30

2016-09-30

2017-09-30

2018-09-30

2019-09-30

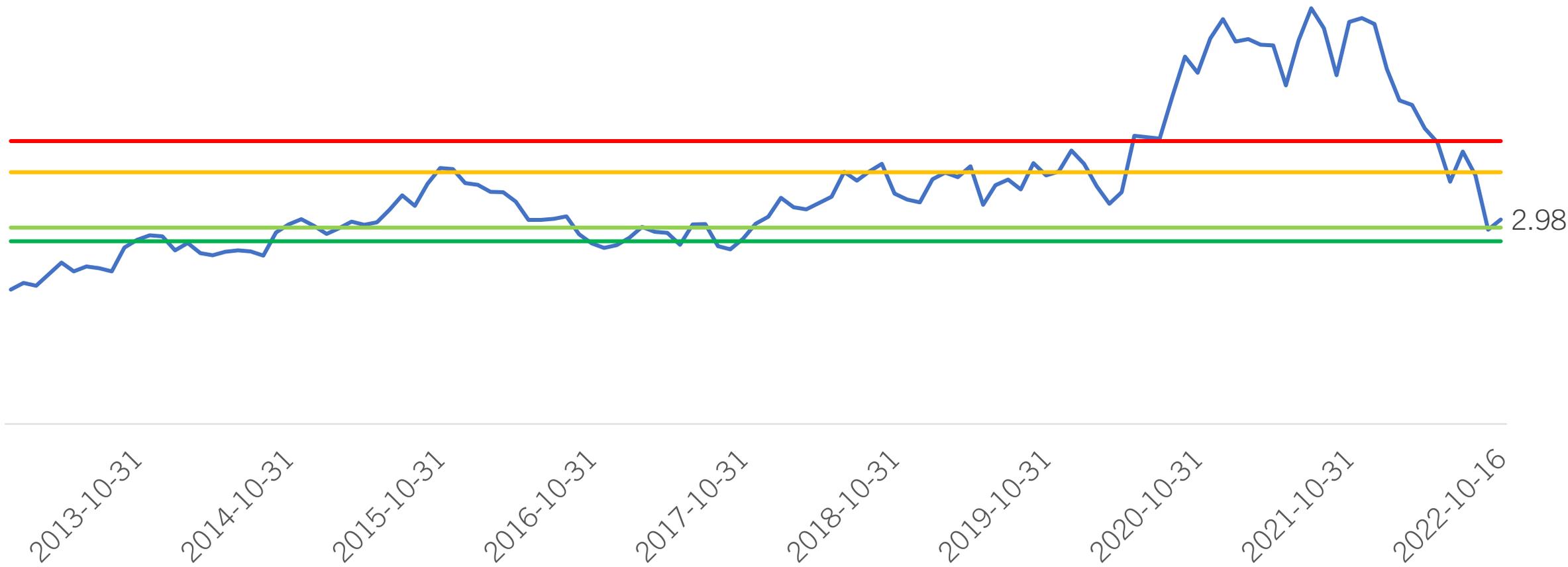
2020-09-30

2021-09-30

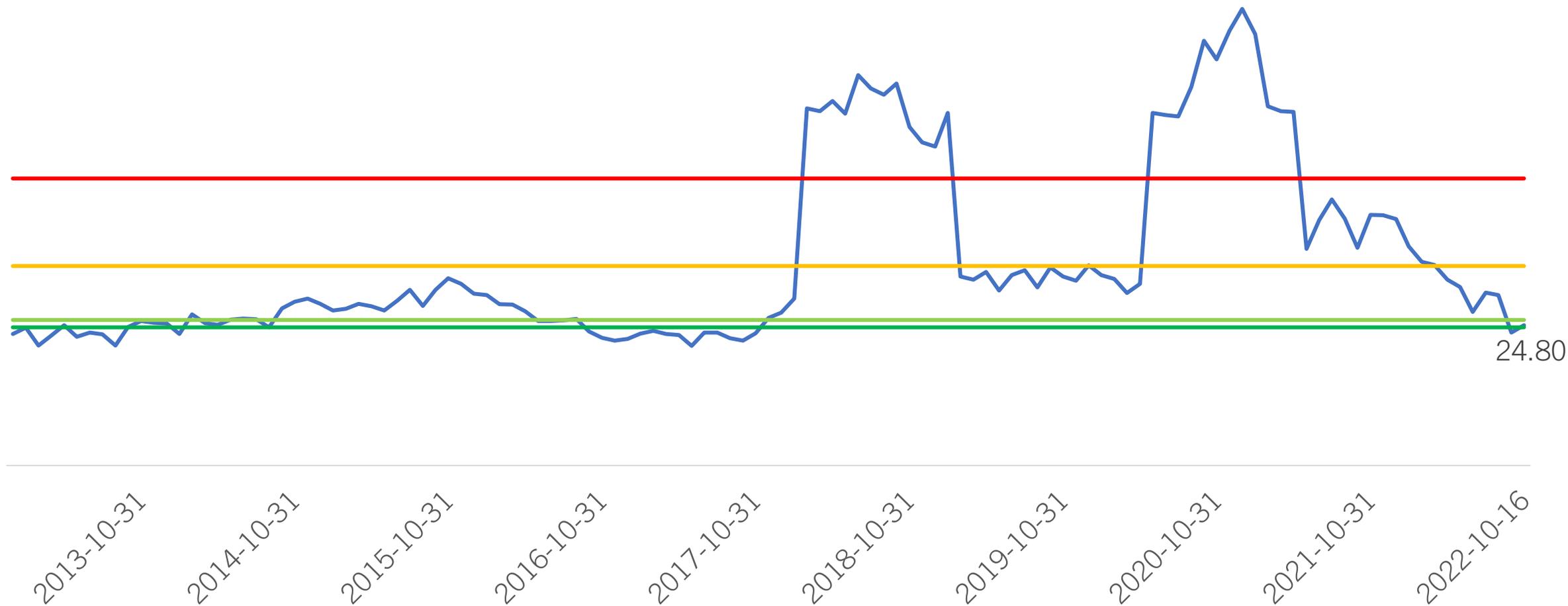
2022-09-15



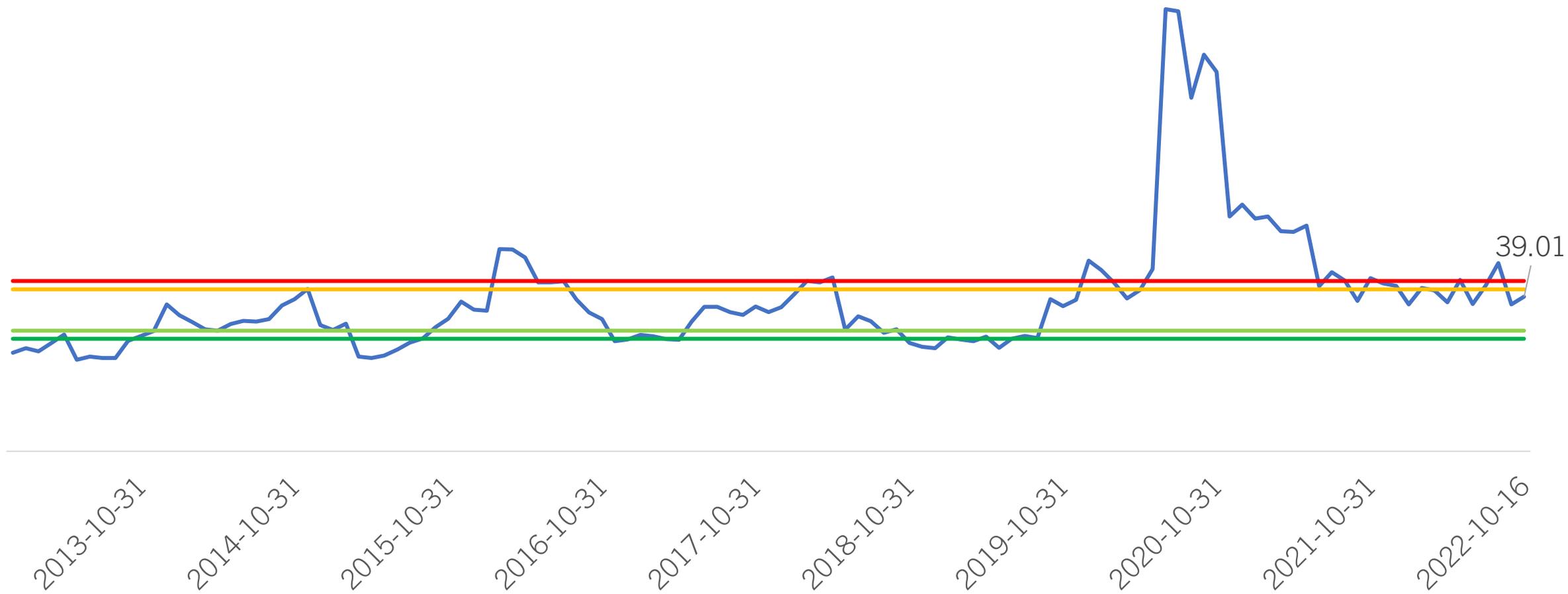
PRICE / SALES



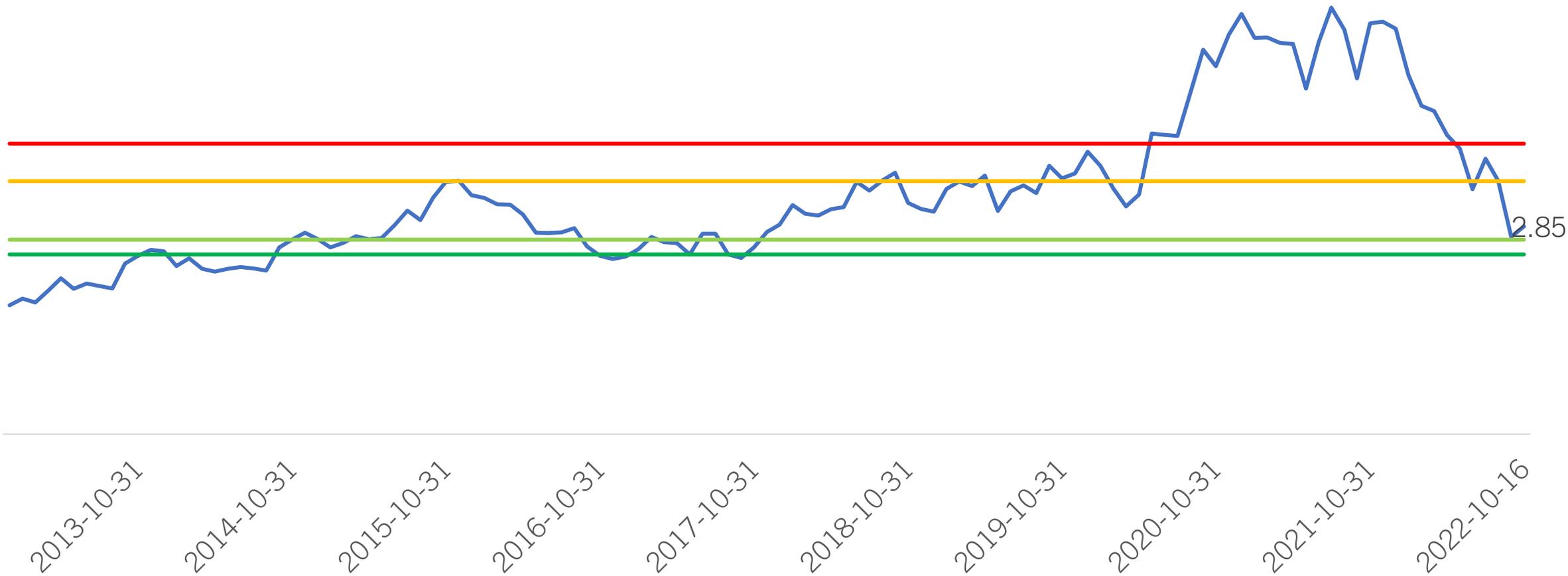
PRICE / EARNINGS



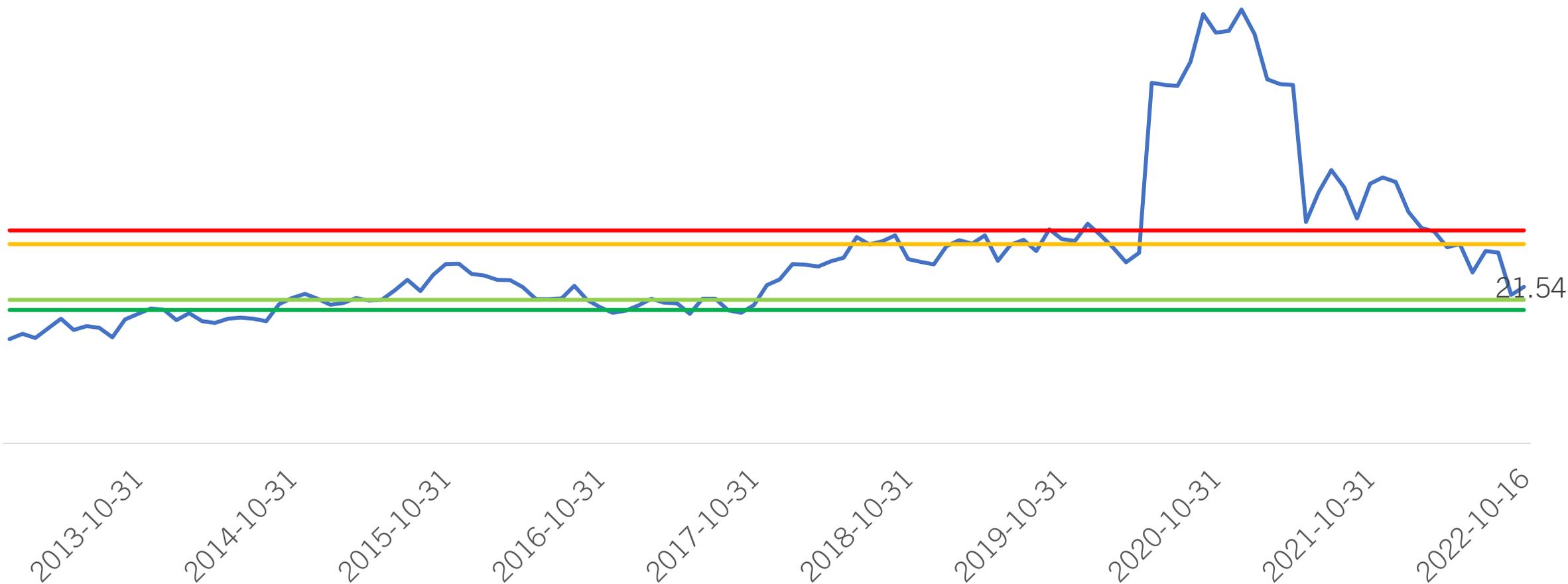
PRICE / FREE CASHFLOW



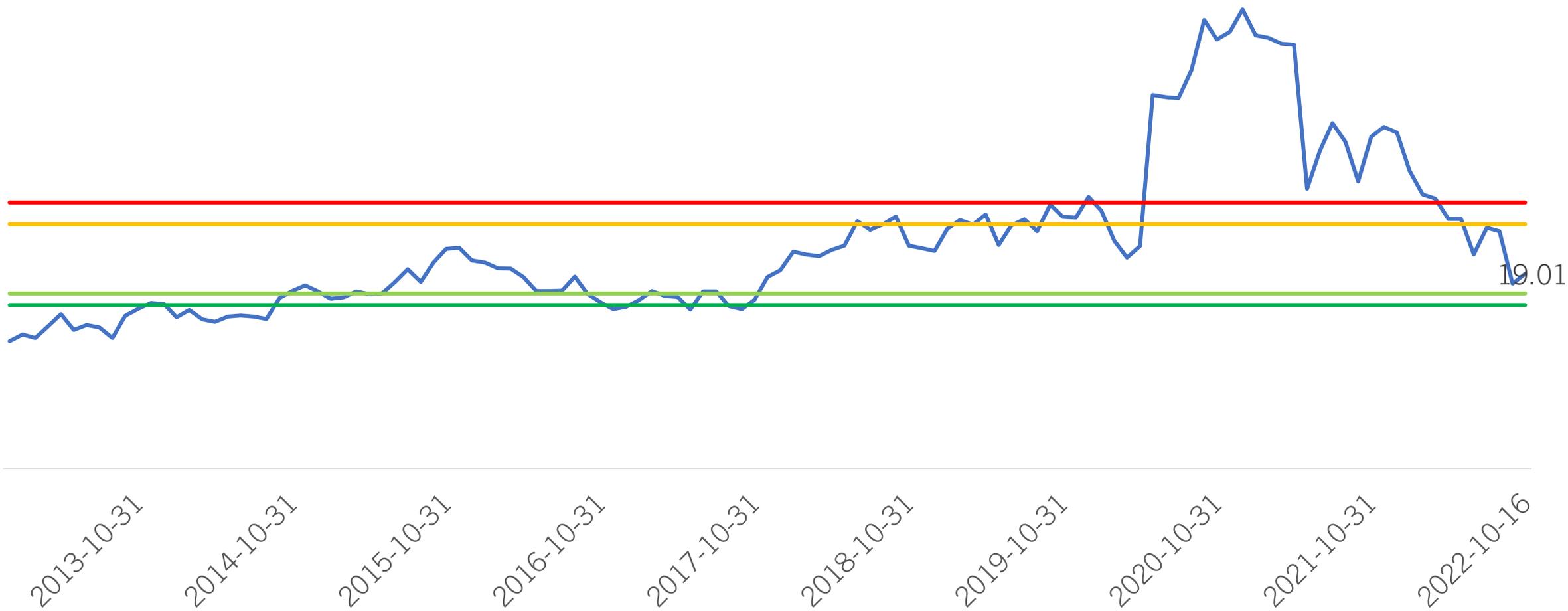
EV / REVENUE



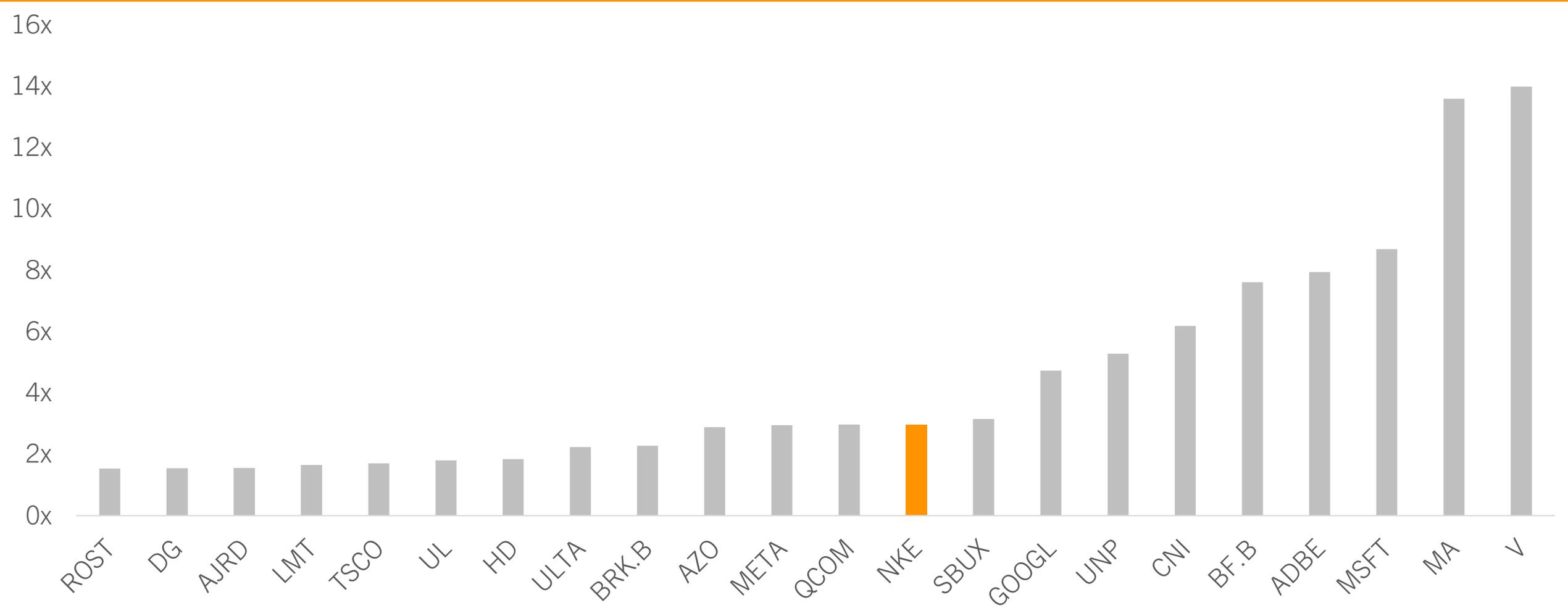
EV / EBIT



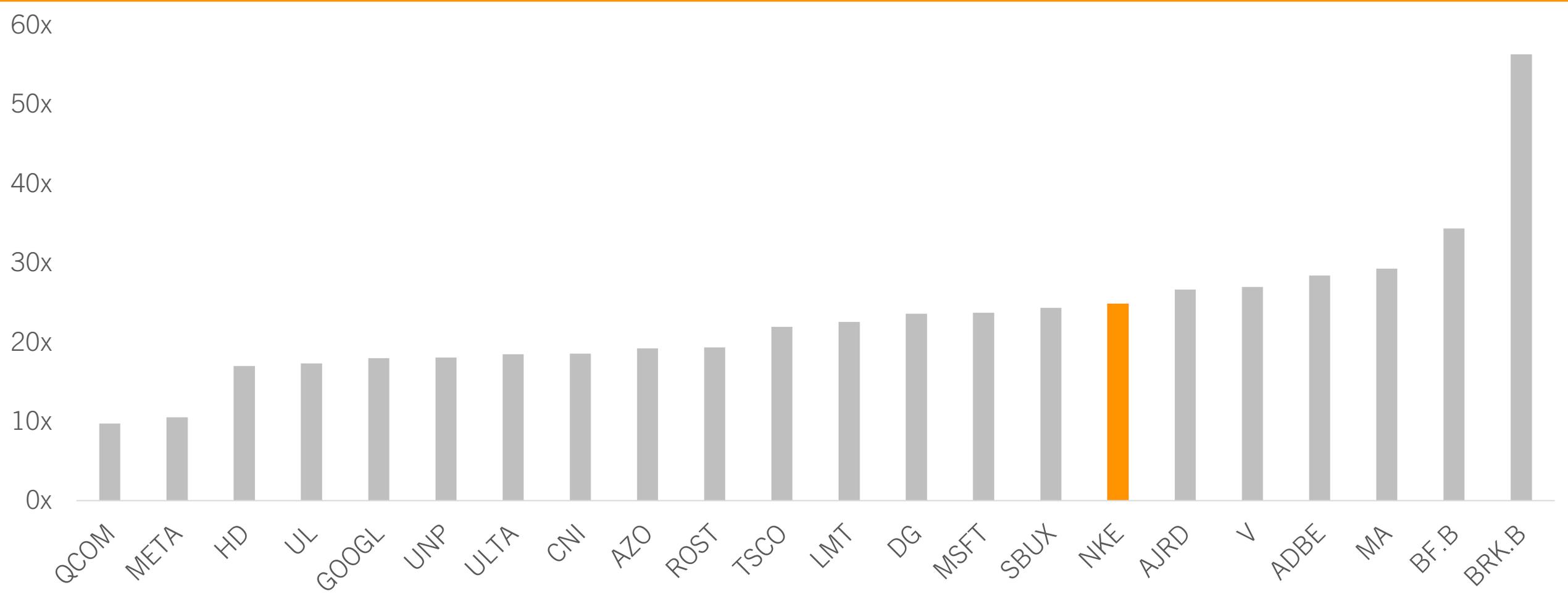
EV / EBITDA



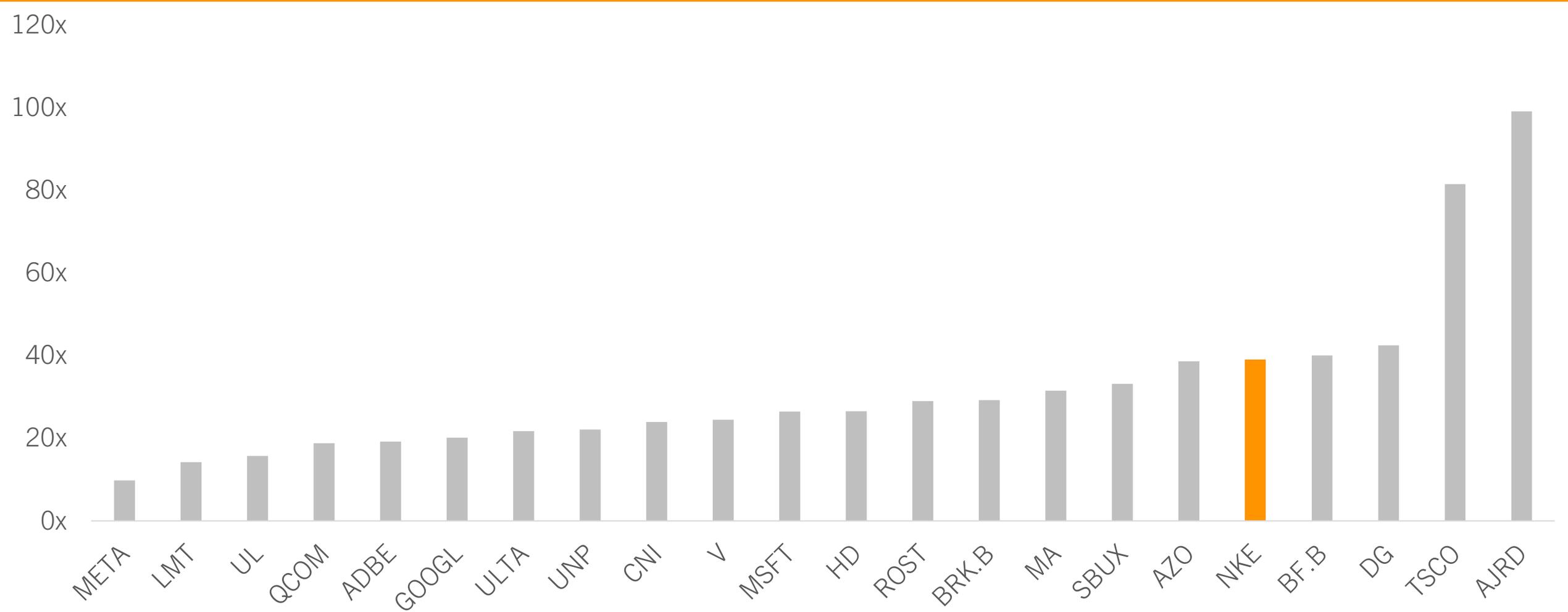
PRICE TO SALES



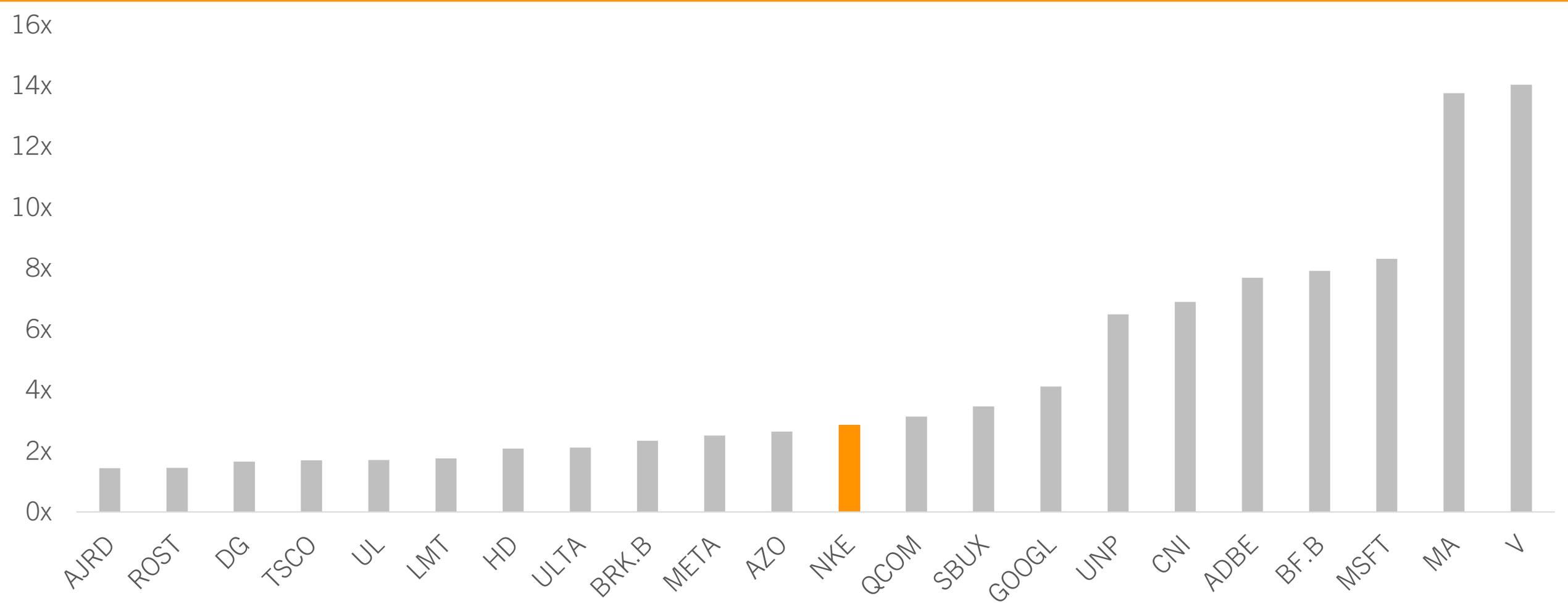
PRICE TO EARNINGS



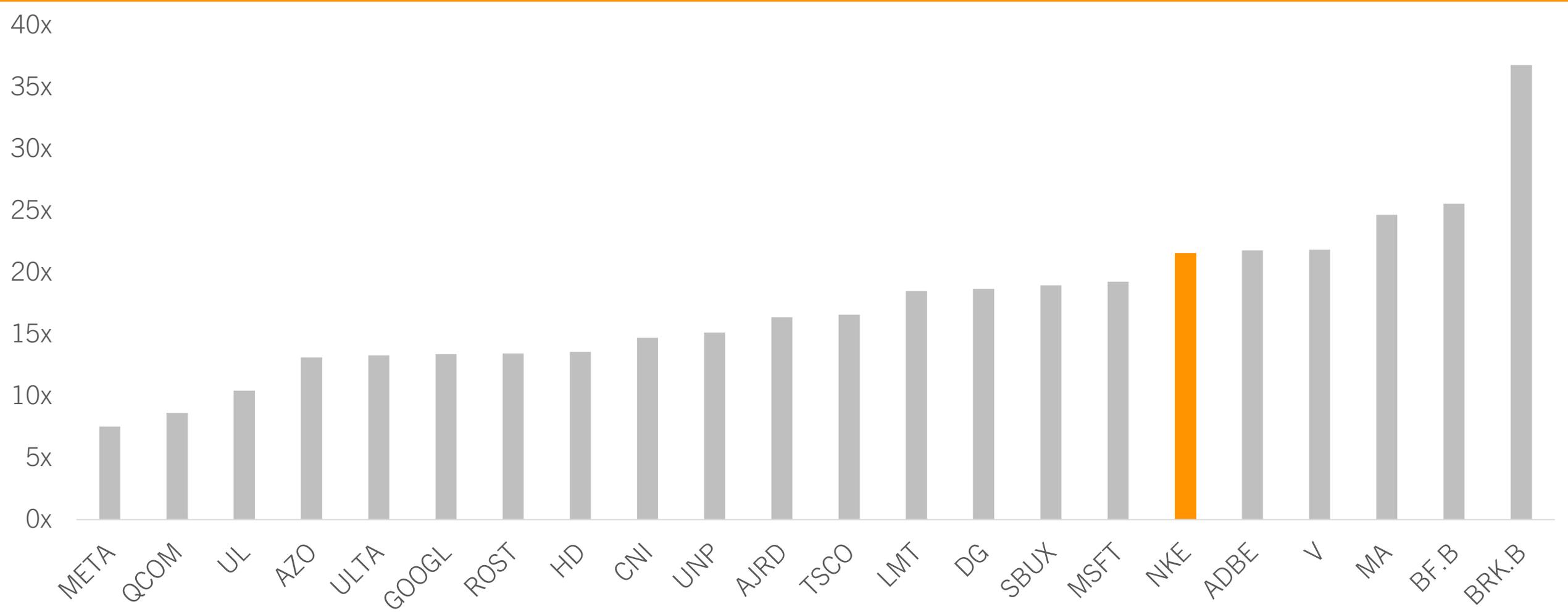
PRICE TO FREE CASH FLOW



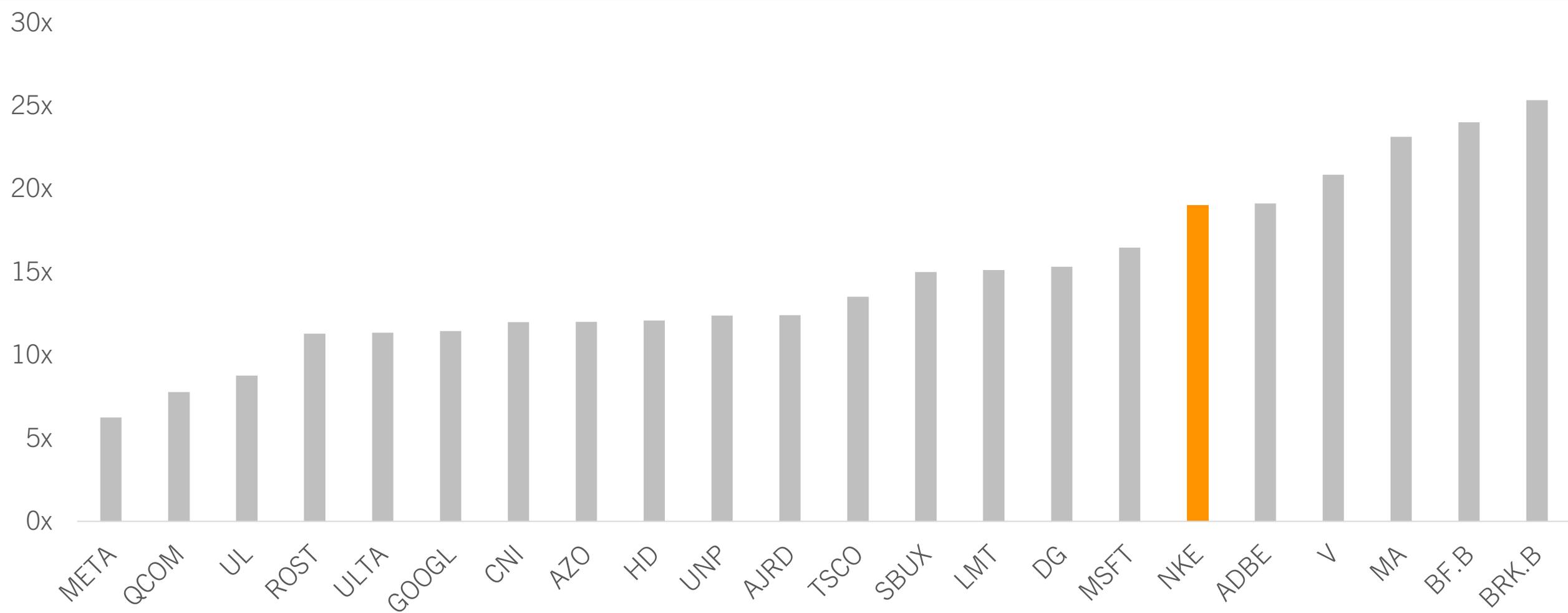
EV TO SALES



EV TO EBIT



EV TO EBITDA



5-YR EPS PROJECTION MODEL

5-year EPS projection

Discount rate:
10%

P/E Projected total return price PV 5-year Upside annual return

	Current	2023	2024	2025	2026	2027					
Bear	Current	2023	2024	2025	2026	2027	18.0x	\$ 96.67	\$ 60.03	11.3%	2.2%
	EPS	\$ 3.53	\$ 2.65	\$ 3.28	\$ 3.91	\$ 4.49	21.0x	\$ 111.77	\$ 69.40	28.7%	5.2%
	5yr growth estimate	-25%	24%	19%	15%	12%	24.0x	\$ 126.86	\$ 78.77	46.1%	7.9%
Base	Current	2023	2024	2025	2026	2027	21.0x	\$ 124.50	\$ 77.30	43.3%	7.5%
	EPS	\$ 3.53	\$ 2.82	\$ 3.59	\$ 4.34	\$ 5.03	24.0x	\$ 141.41	\$ 87.81	62.8%	10.2%
	5yr growth estimate	-20%	27%	21%	16%	12%	27.0x	\$ 158.33	\$ 98.31	82.3%	12.8%
Bull	Current	2023	2024	2025	2026	2027	24.0x	\$ 156.99	\$ 97.48	80.8%	12.6%
	EPS	\$ 3.53	\$ 3.00	\$ 3.90	\$ 4.80	\$ 5.61	27.0x	\$ 175.85	\$ 109.19	102.5%	15.2%
	5yr growth estimate	-15%	30%	23%	17%	12%	30.0x	\$ 194.71	\$ 120.90	124.2%	17.5%



SENSITIVITY ANALYSIS

Sensitivity Analysis: Exp Total RoR Range

		Average Est. EPS growth rate		
		9%	11%	13%
Average P/E	21.0x	2.2%	7.5%	12.6%
	24.0x	5.2%	10.2%	15.2%
	27.0x	7.9%	12.8%	17.5%





CONCLUSION

Brandon Chaney

CONCLUSION

- Wide-Moat Company
- Trading at Low Multiples
- Equipped to overcome short-term headwinds
- Recommendation
 - Limit Order at Market Price
 - Make 4% of Portfolio





"THE END"

APPENDIX

The Dream Team

EPS EXPLANATION

EPS CHART



5 YEARS	Bear	Base	Bull
Net Income Growth	6%	8%	10%
Share Buybacks	2.5%	2.5%	2.5%
EPS Growth	9%	11%	13%



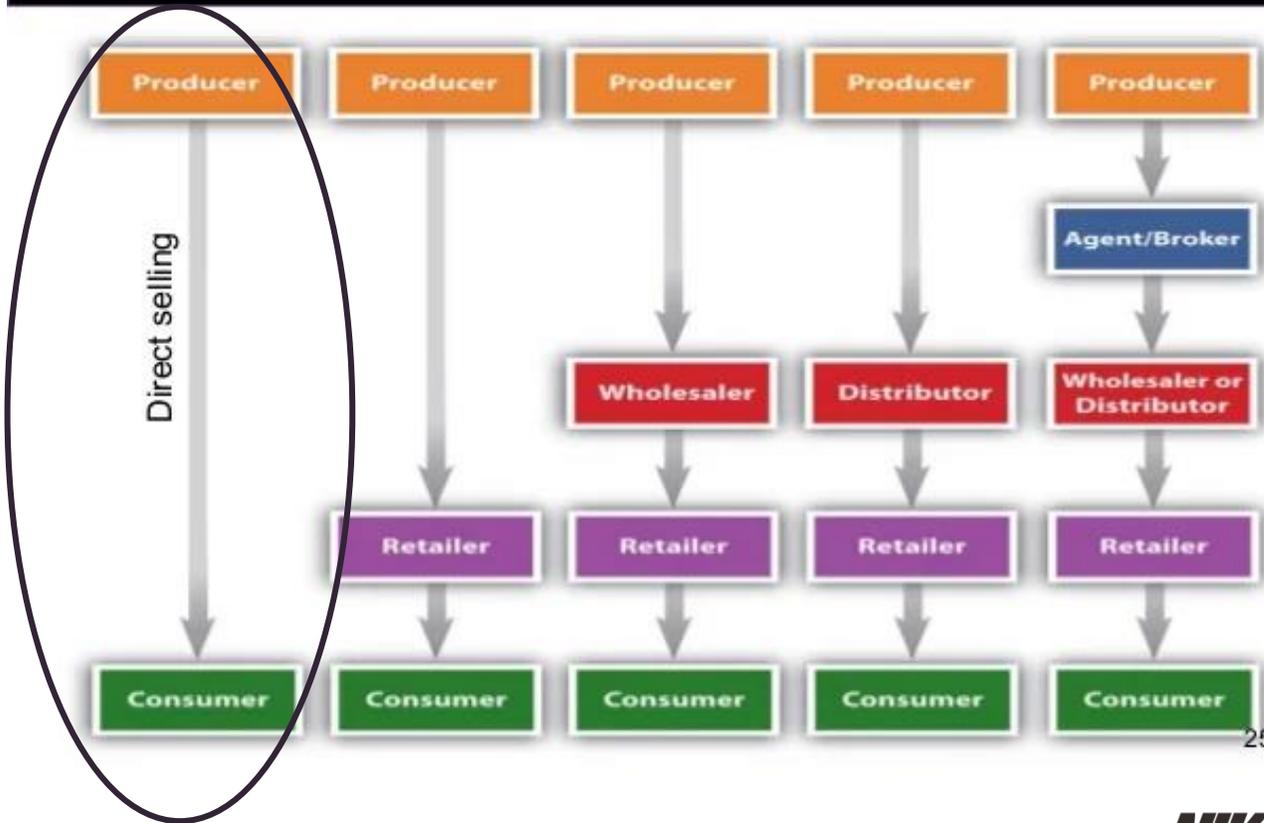
WHY ARE THERE INVENTORY PROBLEMS?

- Factory Closures
 - Vietnam for 15 Weeks and Indonesia (no specified time of closure)
- Lead Times
 - Received Spring, Fall, and Summer seasons late
 - Received Holiday inventory early
- Plan to Liquidate Excess Inventory
 - Liquidate roughly 10% of inventory, starting with Apparel
 - Through Wholesale and Direct
- Improved Lead Times
 - Nike ordered their holiday shipment early expecting longer lead times.
 - Lead times improved and Nike ended up w/ two previous seasons and an upcoming season's worth of inventory



BENEFITS OF DTC

Channel Distribution



- More control over pricing structure
- More profitable/ Margin expansion
- More control over product assortment
- Better customer experience and journey



EXPECTATIONS FOR 2Q-4Q FY '23

- Liquidating Excess Inventory
 - Beginning with North America - Apparel
- Headwinds from Foreign Exchange
 - \$4 billion negative effect on Revenue
 - \$900 million on EBIT
- Currency-Neutral Revenue Growth: Low Double Digits
 - Reported Revenue Growth: Low to mid-single digits
 - 800 bps of FX Headwinds
 - Gross Margin: Expected to decline 200 to 250 basis points
- Q2 Gross Margins: Decrease of 350-400 bps
 - Will likely be largest impact for the FY '23
 - FX Headwinds are factored into the projections
- Consumer Confidence
 - Softness in UK, strong demand in France, Germany, Italy, Spain
- 150 bps impact from Inventory issues
 - Spring, Summer, and Fall seasons arrived late



DEBT MATURITY SCHEDULE

Scheduled Maturity (Dollars and Yen in millions)	ORIGINAL PRINCIPAL	INTEREST RATE	INTEREST PAYMENTS	BOOK VALUE OUTSTANDING AS OF MAY 31,	
				2021	2020
Corporate Term Debt: ⁽¹⁾⁽²⁾					
May 1, 2023	\$ 500	2.25 %	Semi-Annually	\$ 499	\$ 499
March 27, 2025	1,000	2.40 %	Semi-Annually	995	994
November 1, 2026	1,000	2.38 %	Semi-Annually	996	995
March 27, 2027	1,000	2.75 %	Semi-Annually	995	994
March 27, 2030	1,500	2.85 %	Semi-Annually	1,490	1,489
March 27, 2040	1,000	3.25 %	Semi-Annually	986	985
May 1, 2043	500	3.63 %	Semi-Annually	496	495
November 1, 2045	1,000	3.88 %	Semi-Annually	984	984
November 1, 2046	500	3.38 %	Semi-Annually	491	491
March 27, 2050	1,500	3.38 %	Semi-Annually	1,481	1,480
Japanese Yen Notes: ⁽³⁾					
August 20, 2001 through November 20, 2020	¥ 9,000	2.60 %	Quarterly	\$ —	\$ 2
August 20, 2001 through November 20, 2020	4,000	2.00 %	Quarterly	—	1
Total				9,413	9,409
Less current maturities				—	3
TOTAL LONG-TERM DEBT				\$ 9,413	\$ 9,406



MANAGEMENT COMPENSATION STRUCTURE

- Base Salary
- Annual Performance-Based Cash Incentive - Up to 150% of Base Salary
- Long-Term Incentives
 - Performance-Based Restricted Stock Units (RSUs) - Up to 200% of Base Salary
 - Based on company performance over a 3-year period
 - Stock Options – stock-based, only provides value if stock price appreciates
 - Restricted Stock Units – stock-based compensation – value tied to stock price

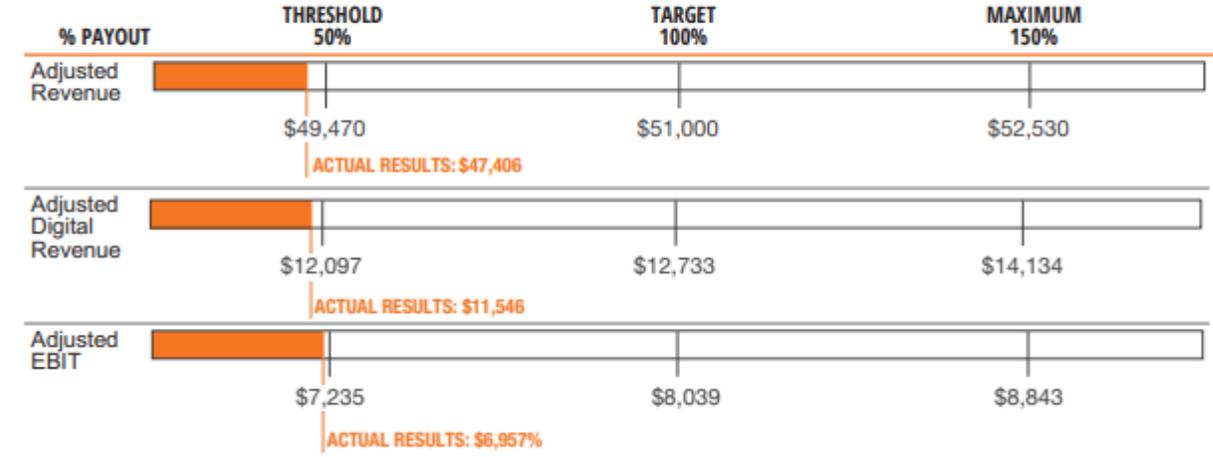


Performance Sharing Plan (PSPs)

- Company Revenue
 - Goal increased 15% from 2021
- Company Revenue through Digital Platforms
 - Goal increased 31% from 2021
- Earnings before Interest and Taxes (EBIT)
 - Goal increased 16% from 2021

FISCAL 2022 PERFORMANCE GOALS

(Dollars in millions)



“SKIN IN THE GAME”

NAME AND POSITION	NUMBER OF SHARES PURCHASED
John Donahoe II President and Chief Executive Officer	—
Mark Parker Executive Chairman	—
Matthew Friend Executive Vice President and Chief Financial Officer	3,892
Andrew Campion Chief Operating Officer	4,523
Heidi O’Neill President, Consumer and Marketplace	5,823
All current executive officers as a group	23,780

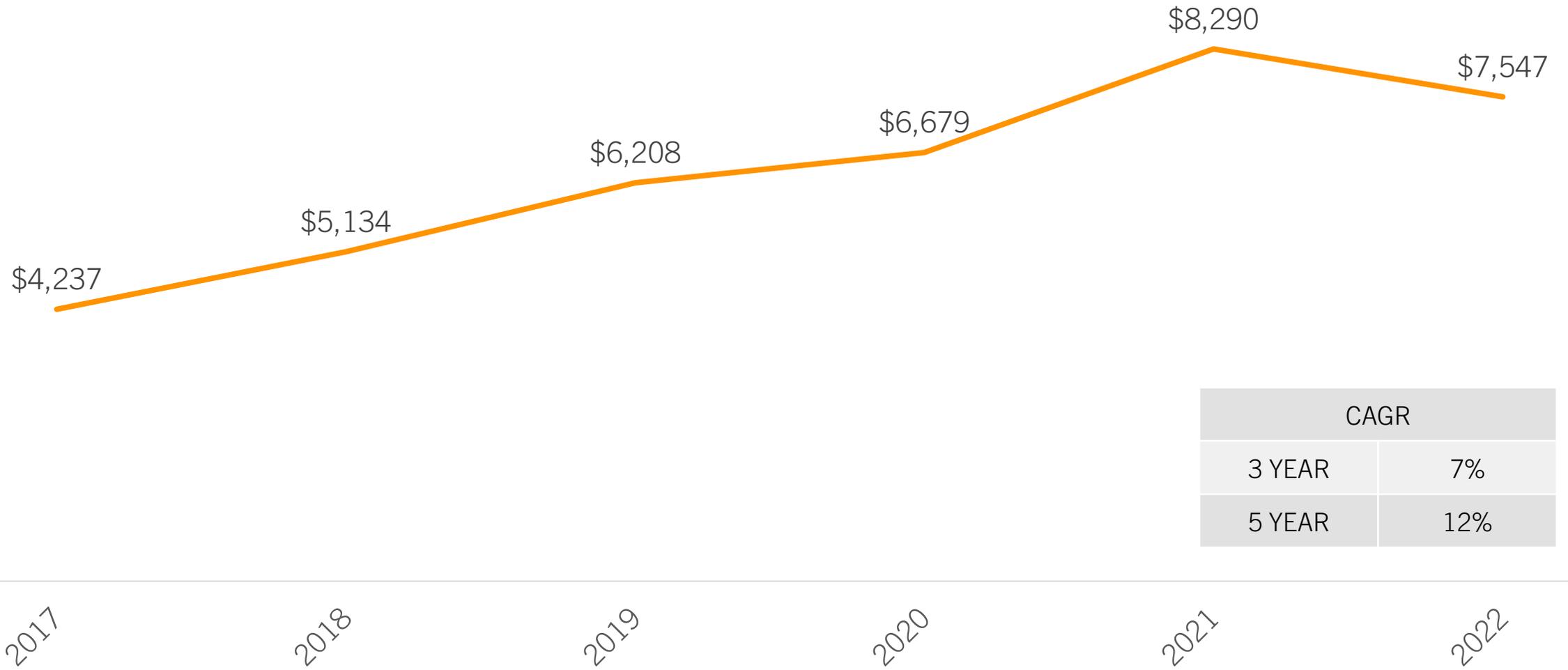


LULULEMON

- Why are Margins Higher?
 - LULU is 100% DTC – they have complete pricing power – all of the competitors in the industry do both wholesale and retail
- Heavily Dependent on Women's, Yoga, and Workout Clothing
 - Men's only makes up about 20% of Revenue
- Young Company that hasn't had to shift completely
- Not a significant presence outside of the U.S.
 - Don't have nearly as much in exchange rate pressures (Short-Term)
 - International Sales: 15% of Revenue
- Narrow Moat: Brand name is present, but will it be sustainable?
 - Demand is growing, but can the company handle more international operations
 - Niche Customer Base
 - We'd rather own a wide moat company in the macroenvironment



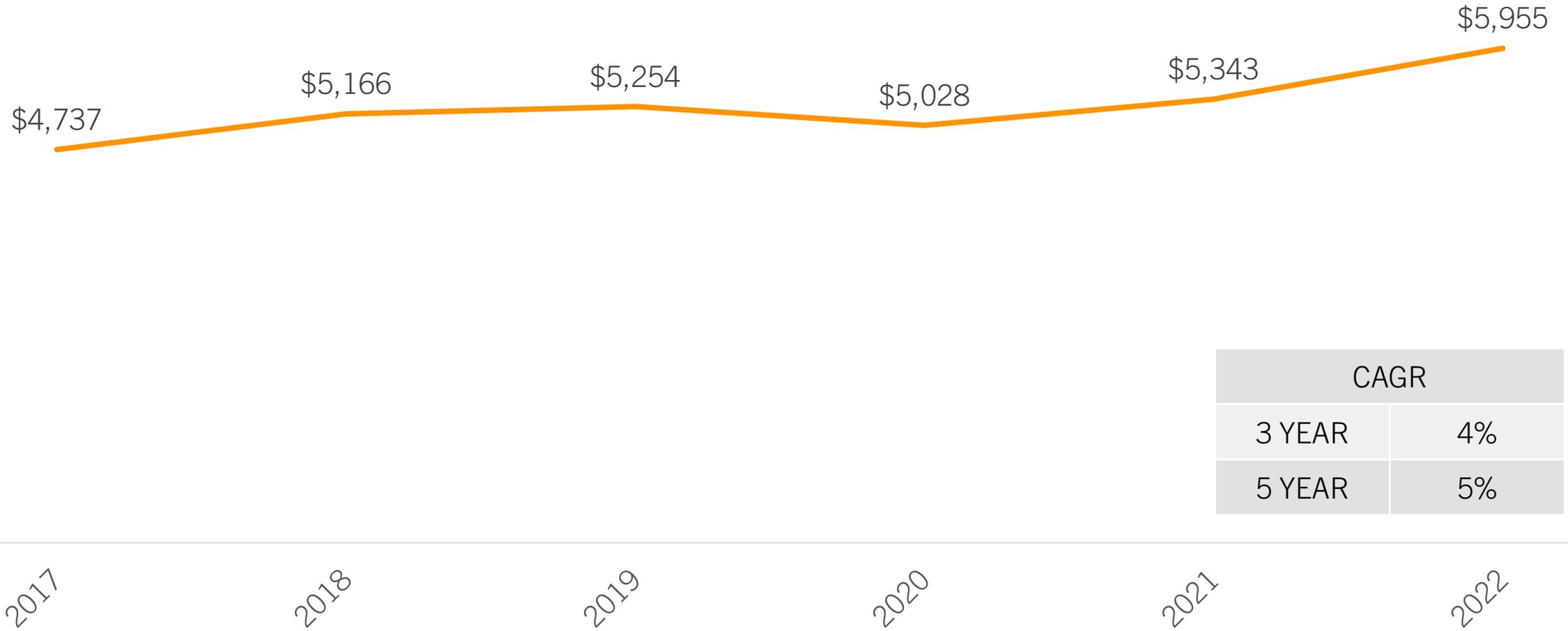
GREATER CHINA REVENUE



CAGR	
3 YEAR	7%
5 YEAR	12%



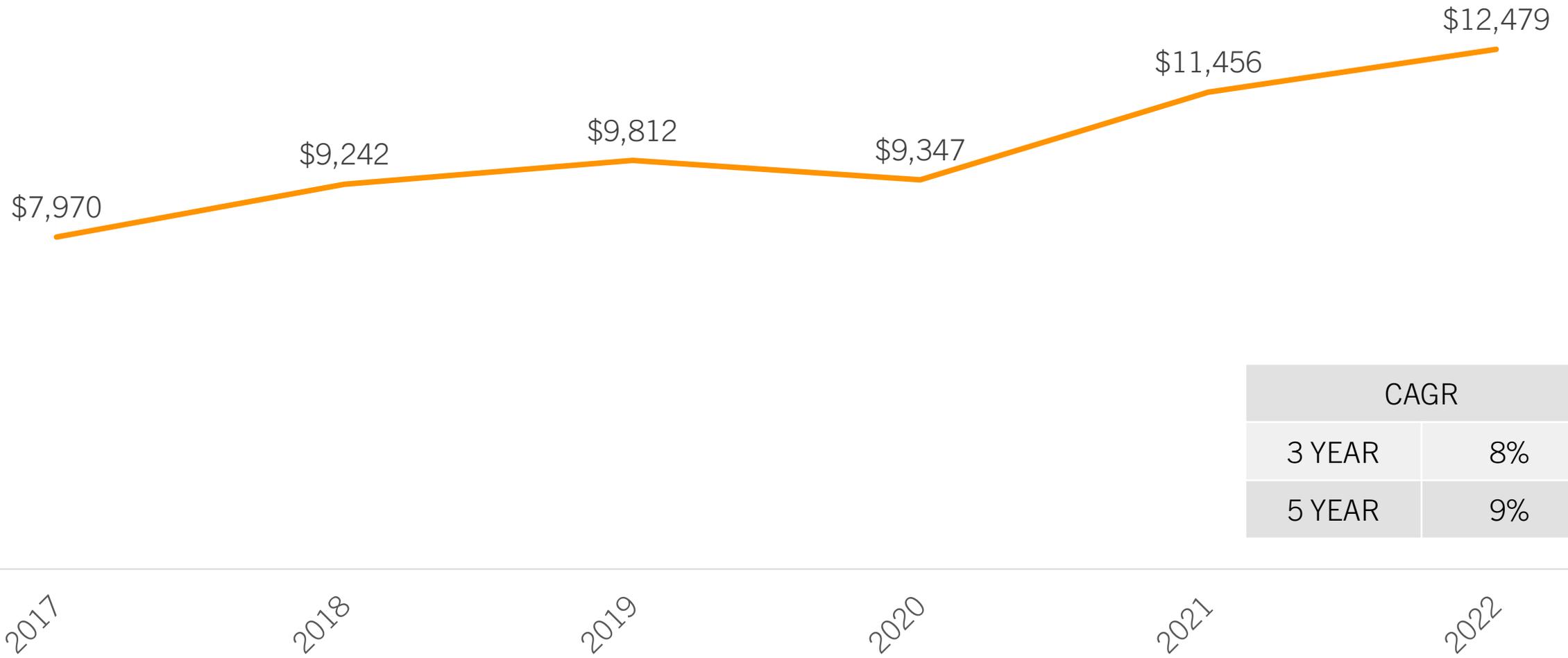
ASIA PACIFIC & LATIN AMERICA REVENUE



CAGR	
3 YEAR	4%
5 YEAR	5%



EUROPE, MIDDLE EAST & AFRICA REVENUE

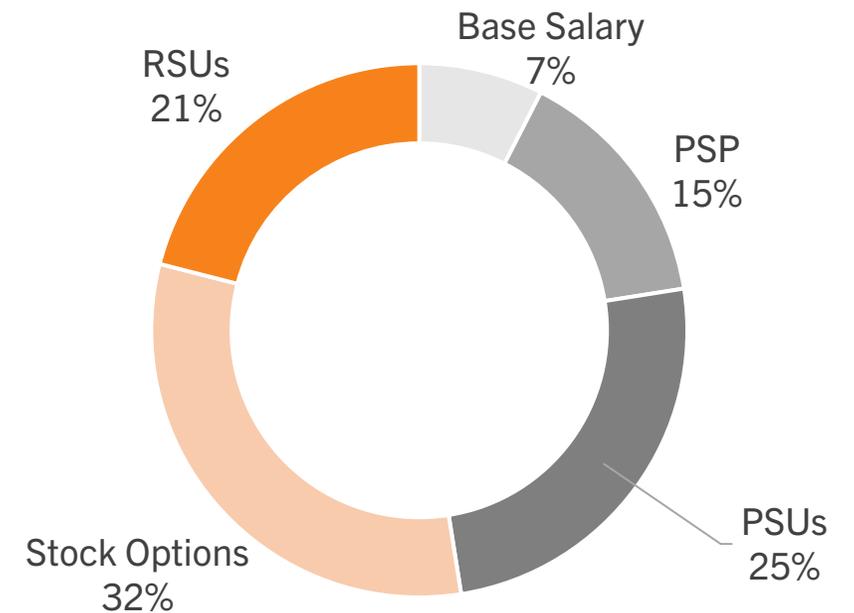


CAGR	
3 YEAR	8%
5 YEAR	9%



CEO COMPENSATION STRUCTURE

- Incentive Compensation makes up 93% of annual compensation
- 84% is based on long-term performance
- Stock awards are 100% of the long-term incentive awards
 - 73% of these stock awards are performance-based



NIKE + BENEFITS

Join the greatest team in sports to get the very best of Nike



Member-Exclusive Products

Get Early Access to our latest drops, member-only products and your favourite gear reserved in your size.



Expert Guidance and Advice

Chat with real athletes who have real answers to get recommendations on training and products.



Connect to Sport Any Time, Anywhere

Access over 100 on-the-go workouts, weekly Challenges and personalised training plans.



One-of-a-Kind Experiences

From courtside to race day, get priority access to events and sessions you won't want to miss.

Your shopping benefits start at sign-up



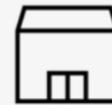
Fast, Free Delivery

Free delivery always. Plus member-only pricing on expedited orders.



30-Day Wear Tests

Try it and love it—or return it. No receipt needed.



In-Store All-Star Treatment

Enjoy express checkout, store-to-door delivery and special store hours.

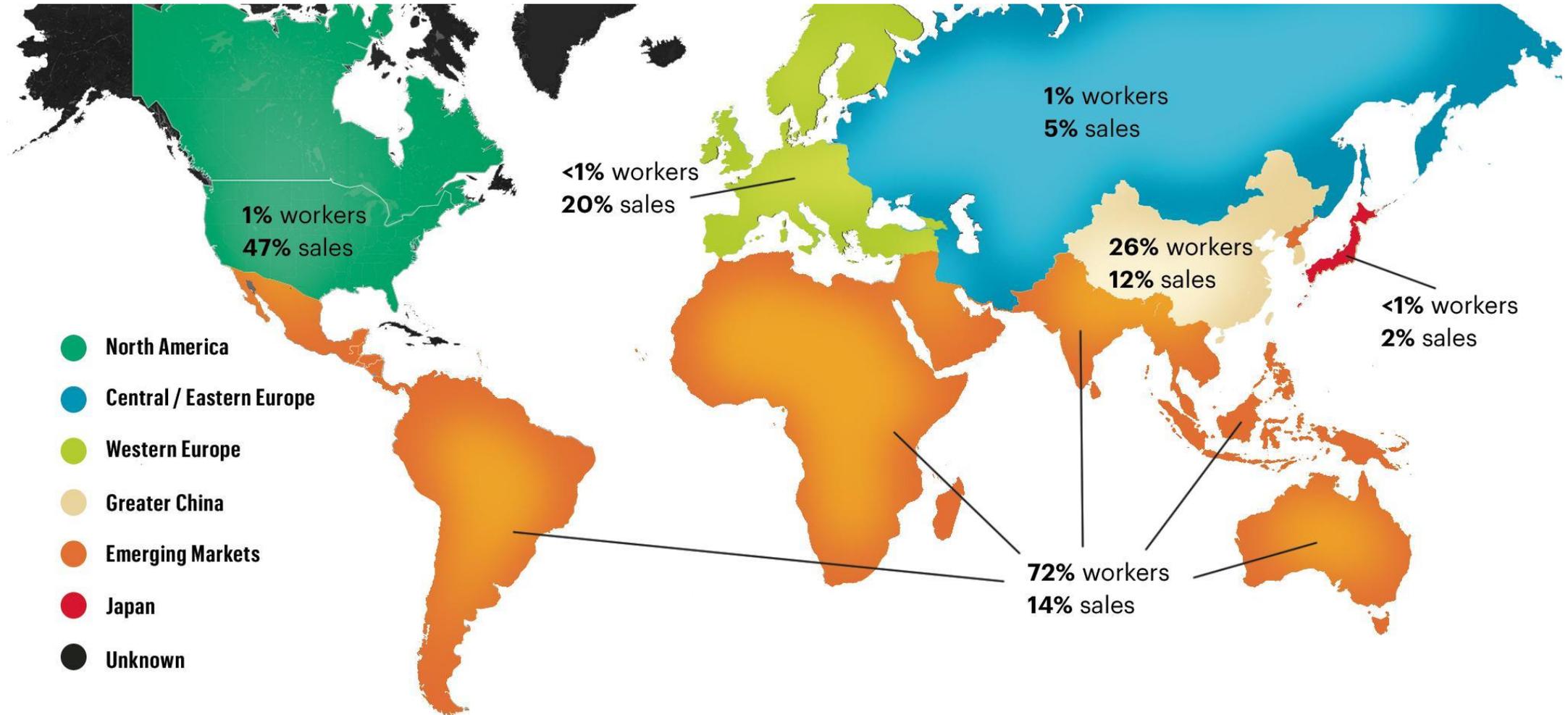


Birthday Reward

Celebrate your big day with a special NikePlus Unlock.

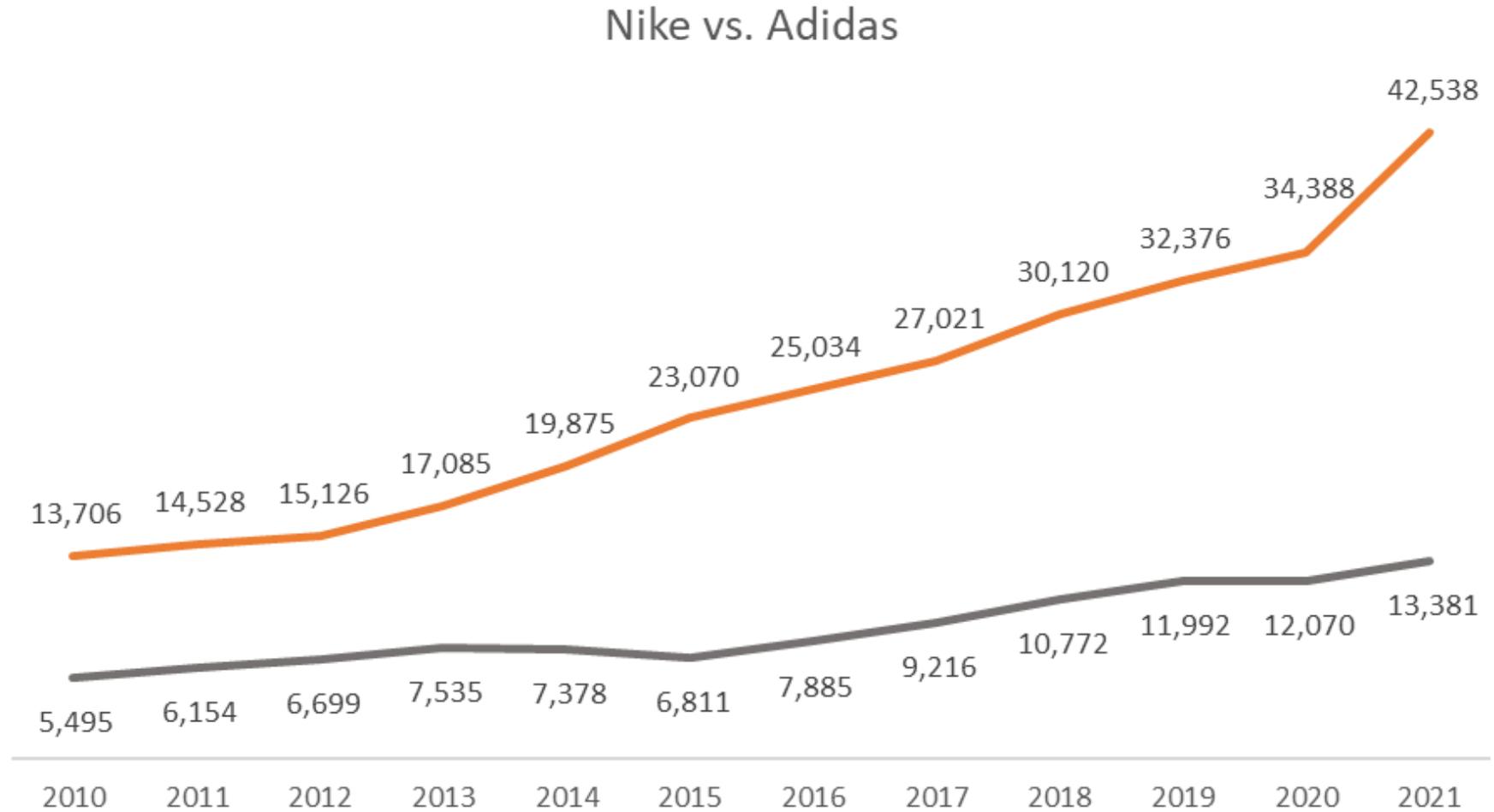


WORLDWIDE COVERAGE



BRAND RECOGNITION

- The brand name of Nike is currently valued at over \$40 billion dollars
- Nike brand name worth more than three times that of their main competitor Adidas



A pair of Jordan 6 sneakers in a purple and black colorway with teal accents. The shoes are shown from a side profile, highlighting the mesh upper, black laces, and the iconic Jumpman logo on the tongue and heel. The background is a solid, light gray.

ECONOMIC MOAT

Braden Jenschke