



WILL

FINANCIAL ANALYSIS

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NIKE FINANCIAL ANALYSIS

Company: Nike

Industry: Athletic apparel and sports equipment company

Fiscal Year Analyzed: 2024 (May 31, 2024)

Conclusion: Nike is considered strong and healthy market leader. Although, 2024 reflects a year focused on consumer spending, cost inflation, and product lifestyle management

RATIO ANALYSIS

Current Ratio (2024)

$$\frac{\text{Assets} \quad 25,382 \text{ Million}}{\text{Liabilities} \quad 10.593 \text{ Million}} = 2.40x \text{ | } 240\%$$

Company Ratio (2024)

- $P/E = 25.97$
- $P/S = 2.79$

Industry benchmark (Current)

- $P/E Ratio = 30.07$

INTERPRETATION OF RATIOS

- **Current Ratio (2024)**
 - *The value of Nike's current assets is 240% of the value of their current liabilities.*
- **Company Ratio (2024)**
 - *P/E (Price to Earnings ratio) = 25.97x*
 - *Investors are paying 25.97x of Nike's earnings .*
 - *P/S (Price to Sales ratio) = 2.79x*
 - *Investors are paying 2.79x of Nike's revenues.*
- **Industry benchmark (Current)**
 - *P/E Ratio (Price to Earnings ratio) = 30.07x / Nike = 33.55x*
 - *On average, investors are paying 30.07x for every dollar of footwear & accessory companies' profits*

Based on the data, Nike can be seen as either overvalued or consistent based on their earnings. The data tells us that people are very interested in Nike.

FINANCIAL REPORT

Nike is:

- *Launching “Win Now/Sport Offense” to refocus on core sports (running, basketball, football).*
- *Reducing discounting and heavy promotions to rebuild brand value and margins.*
- *Clearing excess inventory and optimizing supply chain efficiency.*

Is this Consistent:

Yes – the strategies align directly with the ratio trends:

- Lower profit margins → Nike is cutting discounts to restore profitability
- Slower asset turnover → Strategy to boost efficiency and product flow.
- High P/E → Reflects investor confidence in Nike’s turnaround strategy.

STAKEHOLDER ANALYSIS

STAKEHOLDER CONCERNS PER QUARTER

- Q1 - PROFITABILITY & MARGINS & GEOGRAPHIC PERFORMANCE
- Q2 - LONG TERM GROWTH STRATEGIES & CONSUMER BEHAVIOR
- Q3 - PRODUCT INNOVATION & BRAND MARKETING
- Q4 - DIGITAL PERFORMANCE & PRODUCT LIFECYCLE MANAGEMENT

CONSISTENT WITH STRATEGY AND FINANCIAL FINDINGS

- YES, THERE WAS CONSISTENCY BETWEEN STRATEGY DECISIONS AND RATIO FINDINGS.

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