

NIKE, Inc.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

<i>(In millions, except per share data)</i>	THREE MONTHS ENDED		%
	8/31/2021	8/31/2020	Change
Revenues	\$ 12,248	\$ 10,594	16%
Cost of sales	6,552	5,853	12%
Gross profit	5,696	4,741	20%
<i>Gross margin</i>	46.5 %	44.8 %	
Demand creation expense	918	677	36%
Operating overhead expense	2,654	2,298	15%
Total selling and administrative expense	3,572	2,975	20%
<i>% of revenues</i>	29.2 %	28.1 %	
Interest expense (income), net	57	65	—
Other (income) expense, net	(39)	(14)	—
Income before income taxes	2,106	1,715	23%
Income tax expense	232	197	18%
<i>Effective tax rate</i>	11.0 %	11.5 %	
NET INCOME	\$ 1,874	\$ 1,518	23%
Earnings per common share:			
Basic	\$ 1.18	\$ 0.97	22%
Diluted	\$ 1.16	\$ 0.95	22%
Weighted average common shares outstanding:			
Basic	1,581.9	1,561.8	
Diluted	1,619.6	1,593.3	
Dividends declared per common share	\$ 0.275	\$ 0.245	

NIKE, Inc.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(Dollars in millions)</i>	August 31, 2021	August 31, 2020	% Change
ASSETS			
Current assets:			
Cash and equivalents	\$ 10,720	\$ 8,148	32%
Short-term investments	2,975	1,332	123%
Accounts receivable, net	4,341	3,813	14%
Inventories	6,699	6,705	0%
Prepaid expenses and other current assets	1,655	1,939	-15%
Total current assets	26,390	21,937	20%
Property, plant and equipment, net	4,869	4,969	-2%
Operating lease right-of-use assets, net	3,078	3,158	-3%
Identifiable intangible assets, net	267	272	-2%
Goodwill	242	223	9%
Deferred income taxes and other assets	3,071	2,699	14%
TOTAL ASSETS	\$ 37,917	\$ 33,258	14%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ —	\$ 1	-100%
Notes payable	15	137	-89%
Accounts payable	2,135	1,983	8%
Current portion of operating lease liabilities	462	459	1%
Accrued liabilities	5,296	5,742	-8%
Income taxes payable	361	297	22%
Total current liabilities	8,269	8,619	-4%
Long-term debt	9,415	9,408	0%
Operating lease liabilities	2,898	2,961	-2%
Deferred income taxes and other liabilities	2,992	3,046	-2%
Redeemable preferred stock	—	—	—
Shareholders' equity	14,343	9,224	55%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 37,917	\$ 33,258	14%

NIKE, Inc.
DIVISIONAL REVENUES
(Unaudited)

<i>(Dollars in millions)</i>	THREE MONTHS ENDED		%	% Change
	8/31/2021	8/31/2020	Change	Excluding Currency Changes¹
North America				
Footwear	\$ 3,264	\$ 2,957	10%	10%
Apparel	1,430	1,125	27%	27%
Equipment	185	143	29%	29%
Total	4,879	4,225	15%	15%
Europe, Middle East & Africa				
Footwear	1,983	1,802	10%	4%
Apparel	1,159	971	19%	13%
Equipment	165	137	20%	15%
Total	3,307	2,910	14%	8%
Greater China				
Footwear	1,449	1,251	16%	6%
Apparel	476	478	0%	-9%
Equipment	57	51	12%	3%
Total	1,982	1,780	11%	1%
Asia Pacific & Latin America				
Footwear	1,022	758	35%	33%
Apparel	385	301	28%	26%
Equipment	58	40	45%	44%
Total	1,465	1,099	33%	31%
Global Brand Divisions²	7	4	75%	38%
TOTAL NIKE BRAND	11,640	10,018	16%	12%
Converse	629	563	12%	7%
Corporate ³	(21)	13	—	—
TOTAL NIKE, INC. REVENUES	\$ 12,248	\$ 10,594	16%	12%
TOTAL NIKE BRAND				
Footwear	\$ 7,718	\$ 6,768	14%	10%
Apparel	3,450	2,875	20%	16%
Equipment	465	371	25%	22%
Global Brand Divisions ²	7	4	75%	38%
TOTAL NIKE BRAND REVENUES	\$ 11,640	\$ 10,018	16%	12%

¹ The percent change has been calculated using actual exchange rates in use during the comparative prior year period and is provided to enhance the visibility of the underlying business trends by excluding the impact of translation arising from foreign currency exchange rate fluctuations, which is considered a non-GAAP financial measure. Management uses this non-GAAP financial measure when evaluating the Company's performance, including when making financial and operating decisions. Additionally, management believes this non-GAAP financial measure provides investors with additional financial information that should be considered when assessing the Company's underlying business performance and trends. References to this measure should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with U.S. GAAP and may not be comparable to similarly titled non-GAAP measures used by other companies.

² Global Brand Divisions revenues include NIKE Brand licensing and other miscellaneous revenues that are not part of a geographic operating segment.

³ Corporate revenues primarily consist of foreign currency hedge gains and losses related to revenues generated by entities within the NIKE Brand geographic operating segments and Converse, but managed through the Company's central foreign exchange risk management program.

NIKE, Inc.
EARNINGS BEFORE INTEREST AND TAXES¹
(Unaudited)

<i>(Dollars in millions)</i>	THREE MONTHS ENDED		%
	8/31/2021	8/31/2020	Change
North America	\$ 1,434	\$ 1,302	10%
Europe, Middle East & Africa	875	692	26%
Greater China	701	688	2%
Asia Pacific & Latin America	481	280	72%
Global Brand Divisions ²	(987)	(853)	-16%
TOTAL NIKE BRAND¹	2,504	2,109	19%
Converse	204	168	21%
Corporate ³	(545)	(497)	-10%
TOTAL NIKE, INC. EARNINGS BEFORE INTEREST AND TAXES¹	2,163	1,780	22%
<i>EBIT margin¹</i>	17.7 %	16.8 %	
Interest expense (income), net	57	65	—
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES	\$ 2,106	\$ 1,715	23%

¹ The Company evaluates the performance of individual operating segments based on earnings before interest and taxes (commonly referred to as “EBIT”), which represents net income before interest expense (income), net and income tax expense. Total NIKE Brand EBIT, Total NIKE, Inc. EBIT and EBIT margin are considered non-GAAP financial measures and are being provided as management believes this additional information should be considered when assessing the Company’s underlying business performance and trends. EBIT margin is calculated as EBIT divided by total NIKE, Inc. Revenues. References to EBIT and EBIT margin should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with U.S. GAAP and may not be comparable to similarly titled non-GAAP measures used by other companies.

² Global Brand Divisions primarily represent demand creation and operating overhead expense, including product creation and design expenses that are centrally managed for the NIKE Brand, as well as costs associated with NIKE Direct global digital operations and enterprise technology. Global Brand Divisions revenues include NIKE Brand licensing and other miscellaneous revenues that are not part of a geographic operating segment.

³ Corporate consists primarily of unallocated general and administrative expenses, including expenses associated with centrally managed departments; depreciation and amortization related to the Company’s corporate headquarters; unallocated insurance, benefit and compensation programs, including stock-based compensation; and certain foreign currency gains and losses, including certain hedge gains and losses.

NIKE, Inc.

RETURN ON INVESTED CAPITAL¹

(Unaudited)

FOR THE TRAILING FOUR QUARTERS ENDED

(Dollars in millions)

8/31/2021 5/31/2021

Numerator		
Net income	\$ 6,083	\$ 5,727
Add: Interest expense (income), net	254	262
Add: Income tax expense	969	934
Earnings before interest and taxes	7,306	6,923
Income tax adjustment ²	(1,003)	(970)
Earnings before interest and after taxes	\$ 6,303	\$ 5,953

AVERAGE FOR THE TRAILING FIVE QUARTERS ENDED

8/31/2021 5/31/2021

Denominator		
Total debt ³	\$ 12,845	\$ 12,890
Add: Shareholders' equity	11,781	10,523
Less: Cash and equivalents and Short-term investments	12,198	11,217
Total invested capital	\$ 12,428	\$ 12,196

RETURN ON INVESTED CAPITAL	50.7 %	48.8 %
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¹ Return on invested capital ("ROIC") represents a performance measure that management believes is useful information in understanding the Company's ability to effectively manage invested capital. ROIC is considered a non-GAAP financial measure and should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with U.S. GAAP and may not be comparable to similarly titled non-GAAP measures used by other companies.

² Equals Earnings before interest and taxes multiplied by the effective tax rate as of the respective quarter end.

³ Total debt includes the following: 1) Current portion of long-term debt, 2) Notes Payable, 3) Current portion of operating lease liabilities, 4) Long-term debt and 5) Operating lease liabilities.