**Instructions:**

1. After deriving the intrinsic share price based on our model, the next step is to focus on putting together a report with an investment recommendation.
2. You are required to fill in the report template below using the sample report attached and your readings on the company’s guidance in terms of key segments and products.
   1. Identify two to three key products that are vital for the company’s growth and you can discuss about the trends and expectations. But remember to keep them all short cause and effect sentences.
3. You can take up to two days for this task and feel free to reach out to me if you have any questions.

**Investment thesis:**

Based on the model, Nike shares are expected to increase. The economy is getting back to normal as predicted by several economists and we expect the stocks of Nike to increase.

In FY’22 Nike established a new program that facilitates the repurchase of shares publicly and privately to ensure better stock performance.

The contribution to earnings (EBITDA/Revenue) expected in FY’23 varies among the various operating segments. Comparing previous contribution to expected contribution in FY’23,

Group EBITDA Margin = FY’22 = 0.16, FY’23 = 0.02

North America: FY’22 = 0.29, FY’23 = 0.28

Europe Middle East & Africa: FY’22 = 0.27, FY’23 = 0.27

Greater China: FY’22 = 0.32, FY’23 = 0.4

Asia Pacific & Latin America: FY’22 = 0.33, FY’23 = 0.4

Nike’s stock is to see little to no movement with revenues coming in line with the consensus estimates but earnings falling short marginally. (Forbes, 2022)

From the model, EPS has grown steadily over the past years and it is so in its forecast. Capex on the other hand does not have a continuous increment and it is in their forecast

According to the model, Nike is expecting about 7% to 10% increase in a year or two. Nike is expecting their Men’s Women’s and Jordan brands to lead sales in footwear in the coming years.

Also, they are expecting their Men’s and Women’s apparel sales to lead sales in apparel in the coming as it has been happening in previous years.

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Company Name: NIKE

Ticker: NKE

Current Share Price: 113.80

Upside/Downside to current share price: ((Forecasted Price – Current Price)/Current Price): 0.07