**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.

**Point 1:** Nike’s revenue is expected to grow at roughly 11% rate after the year 2022, reaching up to over 70,000 USD million by the year 2027. The main product segment is in footwear, followed by apparel and then equipment. Nike’s vital products are mainly Nike Air Max and the Nike Air Jordan, with the former being innovative due to the use of visible Air technology, providing superior cushioning and comfort, setting industry standards and the latter being associated with a big figure in basketball Michael Jordan. Both of these vital products demonstrate Nike’s commitment to performance, innovation, and cultural relevance.

**Point 2:** The margin of the group EBITDA stabilizes around 15% to 20% throughout historic and forecasted period. Its main segment is from North America region which contributes over one third of the group total revenue, followed by Europe, middle east, Africa and other regions. Cost of sales, selling & administrative expenses grew steadily, corresponding to its growth in sales. Nike continues to invest in its R&D such as sports research lab for athletes tailored products.

**Point 3:** EPS is expected to grow constantly at 19% per year, reaching up to 8.41 in 2027. Similarly, due to increased investment and profit, FCFF and Capex are expected to grow up to over 10,000 million USD and 1,000 million USD respectively. Nike’s key developments include more diversity in global workforce and sustainability in both production and supply chain. Additionally, Nike continues to focus on its R&D and launching of its new innovative product, such as in the area of cushioning, basketball shoes or trainers.

**Investment thesis:**

Nike Inc's forecasted stock performance suggests a firm value of $251.14 billion, with a book value of debt at $11.28 billion. The equity value stands at $239.86 billion, translating to a per-share value of $148.90. This implies a buy recommendation to investors as its forecasted price exceeds the current price.

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Nike Inc

NYSE: NKE

Current Share Price: 116.11

Upside/Downside to current share price: 0.28