**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 3:** EPS, FCFF and Capex forecasts. Any future developments, company’s key drug pipeline/development.

1. EPS forecasted to grow consistently over the period from 3.75 in 2022 to about 7.84 in 2027 while FCFF grows in a marginally declining rate. CAPEX expected to decline over time and hence a decline in CAPEX as a percentage of revenue over the forecasted period..

**Point 2:** Margin of the group EBITDA, each segment’s contribution to earnings. The expectation of the margin growth. Key cost trends according to historic numbers (R&D).

1. The group’s EBITDA shows a fluctuating pattern of growth over the forecasted period, with considerable variations in growth rates year to year, which could suggest volatility in NIKE’s operational performance, however, with a higher and consistent margin (15.4% in 2023 to 26.9% by 2027) implying earnings are stable.
2. North America and Greater China are expected to be contributors to earnings as they are forecasted to have consistent growth in EBITDA and EBITDA margin.
3. SG&A expected to grow slightly due to increase investment in demand creation to support key global sports moments and product launches; and invest in capabilities to transform Nike’s operating model for greater speed and effectiveness.

**Point 1:** Comment on revenue growth expectation, key segment and product performance (not required to talk about all, which is the main segment and the main product that can impact the revenue growth the most)

1. Revenue growth for the next two years is expected to be closer to doubling the current year’s growth and flattens consistently for the next three years.
2. EMEA, Greater China and Converse all to see consistent growth above the prior year’s growth over the forecasted period while North America and APLA growths are expected to be below the prior year’s growth rate.
3. Apparel and Footwear in EMEA appears to be a significant contributor to the expected revenue growth.

**Investment thesis:**

Short 2 line summary of the stock’s expected performance, based on your model.

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Company Name: NIKE INC.

Ticker

Current Share Price: $116.65

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