**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:** By 2027, overall revenue is forecasted to increase by 37.2% to $64.8 billion, seeing stable growth throughout the period. Although footwear in North America contributed the most to total revenue in all years (on average 24%), footwear in Greater China shows most potential for future revenue growth, as revenue in this segment and region increased the most (169% between 2015 and 2022), compared to 43% in North America and and 57% in EMEA.

**Point 2:** EBITDA margin is expected to grow modestly to 17.7% of group revenue, up from 16.2% in 2022. each segment’s contribution to earnings. R&D (as part of operating expenses) are forecasted to increase up to 2027, given that in the period 2009-2023, average year on year growth was 6.8%. In anticipation of further penetration into Greater China and APLA markets, R&D costs are set to increase further.

**Point 3:** We expect EPS to increase 71.2% from 2022, to $6.21 per share. During the same period, Capex is expected to increase 17.5% up to $891 million. FCFF is forecasted to reach $17.1 billion by 2032. Nike Inc will continue to focus on expanding its direct sales, in-store and digital, which in 2022 were up 32% reaching $16 billion in revenue (37% of Q4 revenue in 2021). The CEO stated the company is committed to reaching 50% digital business by 2025. Nike Inc will further promote its “Nike Jordan” line which gives it significant advantages over its fast fashion rival due to its reputation as a collectible.

**Investment thesis:**

The share price is expected to modestly but surely grow between this year and the terminal year (2033), though there will be occasional dips in the interim.

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**Company Name:** Nike Inc

**Ticker:** NKE

**Current Share Price:** $102.08 (as of 5th Jan 2024)

**Upside/Downside to current share price:** 34.5% upside