**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:** 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)

Group revenue is projected to grow by 4.9% annually, accumulating to $77,061,000 in 2027. The majority of the group’s income is from the North American segment. Out of all the segments, footwear contributes the most to the group’s revenue.

The EBITDA margin in 2022 was reported to be at 0.16. Based on my model, the margin is predicted to decrease to 0.15 and remain the same until 2027. This indicates Nike efficiently generates profit before considering non-operating expenses. Nike’s costs can come from investing activities, rent for property, plant and equipment, share buyback and dividends. According to historic numbers and using my model, these costs are all expected in increase in the next few years.

The FCFF is expected to grow by 11.13% until the terminal year where it has a value of 20,106,000. The Capex is forecasted to grow by 9% each year, ending at $1,169,750, which is 2% of the group’s revenue. EPS is also modelled to increase each year where in 2027, it will reach a value of 4.97. Nike is focusing on leadership restructuring to drive innovation and enhance consumer engagement. It is prioritizing sustainability in products and operations.

**Investment thesis:**

Based on my model, Nike's share price is expected to decrease by around 20% each year, ending at $11.55 in the terminal year.

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Company Name: Nike

Ticker: NKE

Current Share Price: $82.92

Upside/Downside to current share price: ((Forecasted Price – Current Price)/Current Price) -0.20