**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.

Driven by strong revenue growth and EBIT margin expansion of xx bps (from xx% in FY22 to xx% in FY23 & xx% in FY 24), the EPS is expected to grow by xx% in FY23 to USD xx. **– Keep the blue highlighted section**

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).

**EBITDA margin has expanded by xx% in FY23 to USD xx mn. XX segments are expected to contribute towards the margin as a result of volume growth and efficient cost control by the company.**

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.

**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.

**Nike has a strong xx% upside to its current share price, as a result of strong revenue and margin growth driven by its footwear segment.**

**Point 1:**

Nike’s revenue is expected to grow at roughly 11% rate yoy in FY23 to USD xx mn. Revenue growth is mainly driven from Footwear growth across North America and Asian region. Nike Air Max and the Nike Air Jordan are expected to contribute to the footwear segment further supported by the growth in apparel.

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.

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.

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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