Company: NIKE, Inc (NKE)
Action: Long w/ a May-2022 Price Target of ~$90
IRR: 12% over 5 Years

Nielsen Fields, CFA
nfields17@gsb.columbia.edu
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Executive Summary

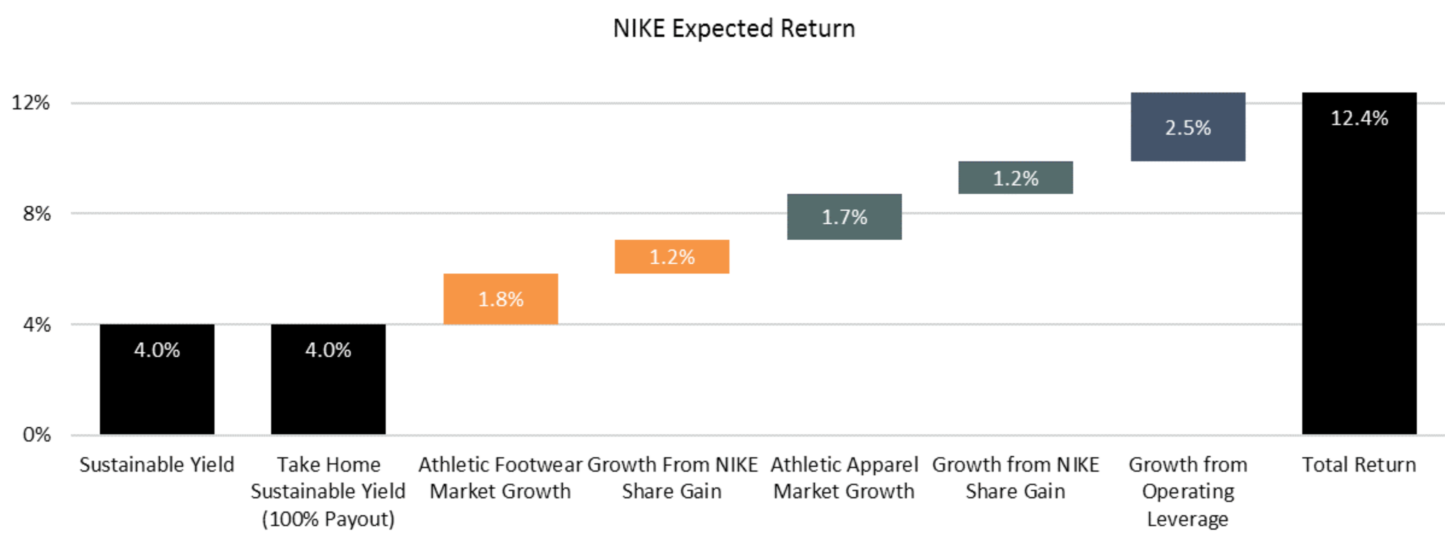
NIKE, Inc is a BUY given that I expect business value to compound annually in the low teens through early 2022. Shares at ~$56 allow the long-term investor to pay slightly below fair value for the world leader in athletic footwear and apparel, and at just 25% of the footwear and 5% of the apparel global market, NIKE's competitive advantages in local economies of scale – on a product by product and geographic basis – in advertising and sponsorship will allow the company to grow earnings at a low double digit rate.

My base case valuation has NIKE valued at ~$90 in five years – $65 today at an 8% discount rate – representing an 11% annualized return including dividends. Not setting the world on fire however the risk/reward is attractive given you do not lose much in my bear case of $43 yet would double your money in my bull case of $120; a case still more conservative than what management outlined at their 2015 analyst day.

		2006A 2007A	2008A	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016A
SUMMARY INFORMATION *(Figures in millions, FYE 5/31)*											
Key Items:	NKE	**Summary Financials:**									
Current Price	$55.9	**Revenue**	**18,627**	**19,176**	**19,014**	**20,117**	**23,331**	**25,313**	**27,799**	**30,601**	**32,376**
Shares Out	1,654	*Growth*	14.1%	2.9%	(0.8%)	5.8%	16.0%	8.5%	9.8%	10.1%	5.8%
Market Cap	$92,388	**Gross Profit**	**8,387**	**8,604**	**8,800**	**9,202**	**10,148**	**11,034**	**12,446**	**14,067**	**14,971**
- Cash	(6,160.0)	*Gross Margin*	*45.0%*	*44.9%*	*46.3%*	*45.7%*	*43.5%*	*43.6%*	*44.8%*	*46.0%*	*46.2%*
+ Debt	3,501.0	**Operating Profit**	**2,434**	**2,454**	**2,474**	**2,841**	**3,069**	**3,238**	**3,680**	**4,175**	**4,502**
Enterprise Value	$89,729	*Operating Margin*	*13.1%*	*12.8%*	*13.0%*	*14.1%*	*13.2%*	*12.8%*	*13.2%*	*13.6%*	*13.9%*
		Adj EPS	**0.95**	**0.76**	**0.98**	**1.14**	**1.22**	**1.35**	**1.53**	**1.90**	**2.22**
52-Week High	$60.3	*Growth*	*28.9%*	*(19.7%)*	*29.2%*	*16.0%*	*6.8%*	*11.1%*	*12.7%*	*24.2%*	*16.8%*
52-Week Low	$49.0										
% off 52-Week High	(7.4%)	Key Metrics									
		ROIC	40.2%	37.0%	38.9%	43.9%	40.4%	41.3%	46.9%	49.0%	49.6%
Dividend Yield	1.3%	ROIIC (3-YR View)	(67.4%)	214.4%	59.9%	92.7%	73.0%	53.2%	60.6%	99.8%	82.3%
3-Month Avg Daily Value	509	Valuation									
Short Interest % of Float	3.1%	EV/EBIT LTM	12.6x	10.4x	12.8x	12.9x	15.0x	15.9x	17.5x	20.1x	19.7x
Days to Cover	2.9	P/E LTM	19.3x	15.2x	18.8x	19.6x	21.9x	23.2x	26.0x	28.7x	25.7x

Returns Space Evaluation

NIKE is a franchise business warranting a "returns based" analysis. Ultimately this analysis shows **investors are likely to see annual returns of ~12%**. The breakdown is as follows:



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Sustainable revenue is likely $34b. Granted that figure comes after five years of growing 10% annually however NIKE revenue has only fallen once in the last 15 years, (0.8%) in 2010. Operating margins have remained in the low teens over the past decade and are likely to tick higher given the shift into the direct-to-consumer (DTC) channel – a thesis point I highlight below. I use a conservative 13.5% sustainable operating margin. After tax and relative to a $90b enterprise value, **NIKE is selling at 4% sustainable yield**, of which shareholders receive 100% through dividends at buybacks.

	2007A	2008A	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016A	2017E
RETURNS SPACE											
Sustainable Revenue	16,326	18,627	19,176	19,014	20,117	23,331	25,313	27,799	30,601	32,376	34,000
Sustainable Operating Margin	*13.1%*	*13.1%*	*12.8%*	*13.0%*	*14.1%*	*13.2%*	*12.8%*	*13.2%*	*13.6%*	*13.9%*	*13.5%*
Operating Income											4,590
Tax Rate	32.2%	24.8%	24.0%	24.2%	24.1%	25.0%	24.7%	24.0%	22.2%	18.7%	22.0%
NOPAT											**3,580**
Enterprise Value											89,254
Sustainable Yield											4.0%
Payout Ratio (Dividends + Buybacks)	98.1%	100.3%	103.5%	105.8%	110.5%	110.4%	110.8%	114.3%	109.4%	113.3%	100.0%
Take Home Sustainable Yield											**4.0%**

	Footwear	Apparel
Market Growth	3.0%	4.3%
Growth from Share Gain	2.0%	3.0%
NIKE Revenue Growth	5.0%	7.3%
NIKE Revenue Breakdown	61%	39%
Effective NIKE Growth		**5.9%**

	2007A	2008A	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016A	2017E
Revenue Growth	9.2%	14.1%	2.9%	(0.8%)	5.8%						5.9%
NOPAT Growth From Oper Leverage (5 YR	5.4%	6.0%	3.7%	2.0%	3.4%	2.3%	(0.4%)	0.7%	1.6%	1.2%	**2.5%**
Total Return											**12.4%**

Investors are likely to receive an additional **6% return from revenue growth** and **2.5% return from operating leverage** for a total return of ~12%. Regarding revenue growth:

- The global market for athletic *footwear* is likely to experience GDP like growth[1]. At just 25% of the $80b industry today, coupled with NIKE's competitive advantages (discussed later), I expect NIKE to gain modest additional share through 2022 to ~28% share.
- The $185b athletic *apparel* market will grow at GDP+ over the next handful of years[2] and at less than a 5% share, NIKE could grow meaningfully higher than the market; I model growth of ~7% through 2022. With at 60/40 revenue breakdown between footwear and apparel this implies a 6% growth rate.

Regarding operating leverage, NOPAT has outgrown revenue by 2.5% over a trailing five-year period since 2007. Long run, this relationship should hold. Medium term, NIKE will experience healthier operating leverage given the higher margin channel shift. To be conservative I use the historical 2.5% additional growth from operating leverage. In total, investors can expect the 4% current sustainable yield, an additional 6% of revenue growth, and another 2.5% from operating leverage putting total annual returns in the 12% range.

Competitive Advantage

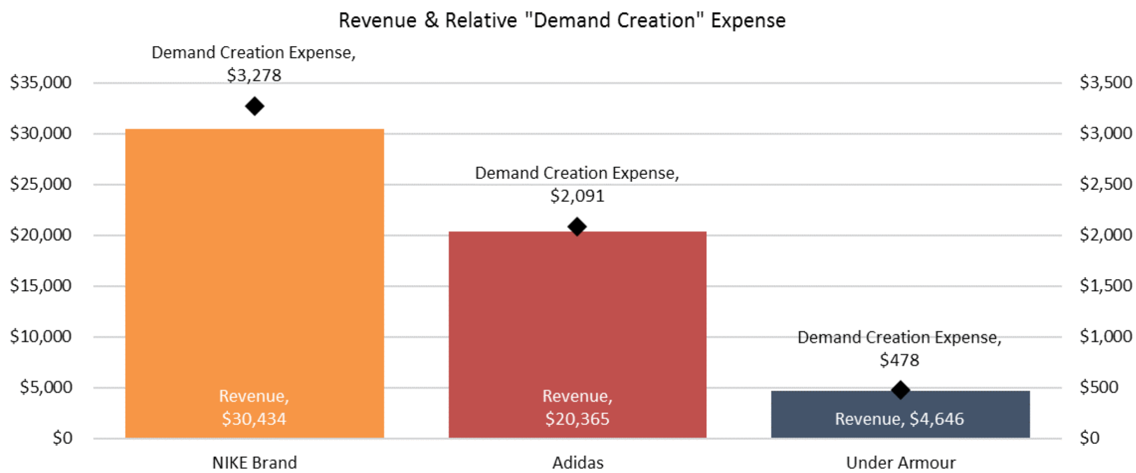
NIKE has built an enormous competitive advantage in economies of scale, specifically local economies of scale, pertaining to marketing and advertising sponsorship; local meaning NIKE dominates in both product (men's and women's running, basketball, football, etc.) and by geography. NIKE understands the point of "local domination" and operates what is call

[1] https://www.gminsights.com/industry-analysis/athletic-footwear-market
[2] https://www.alliedmarketresearch.com/sports-apparel-market

Nielsen Fields, CFA
nfields17@gsb.columbia.edu

calls a "*category offense*". The offense is run across 13 categories, six geographies, and 31 territories and sales have doubled since implementation 10 years ago.

By dominating product segments in different regions, the company can leverage its advertising and sponsorship spend – what it calls "demand creation expense" – over many more units compared to Adidas or Under Armour. Demand creation expense for each company is roughly 10% of revenue, yet NIKE's demand creation expense is larger by 50% relative to Adidas and near 7x relative to Under Armour.



The table below outlines share shift in the athletic apparel & footwear market from 2007 to 2016 of major players (~80% of market share) in NIKE's most important regions; Western Europe, North America, and China. Over the nine-year period somewhere between 10% and 20% of share changed hands in each of these markets.

Notably, the higher the market growth in the region the higher the absolute share change. Not surprising as market growth brings in new customers for whom no incumbent advantage exists. **The bottom line is this: with share changing hands at just ~20 bps per year per company, it would take a company a significant amount of time to erode NIKE's advantage marketing scale.**

Sportswear Brand Shares I Retail Value RSP I US$m

Western Europe	2007	2016	Abs Chg
Nike	27.2%	28.7%	1.5%
adidas	25.9%	26.7%	0.8%
Decathlon	8.4%	8.0%	0.4%
Puma	8.7%	5.4%	3.2%
Asics	3.6%	4.2%	0.6%
Reebok	3.2%	2.4%	0.7%
The North Face	1.7%	2.3%	0.6%
Timberland	2.8%	2.1%	0.6%
Converse	1.6%	1.9%	0.4%
Skechers	1.0%	1.3%	0.3%
Grand Total	84.1%	83.1%	9.1%
Average Yearly Change			1.0%
Avg Yearly Chg Per Company			10 bps
Market Size CAGR			(0.4%)

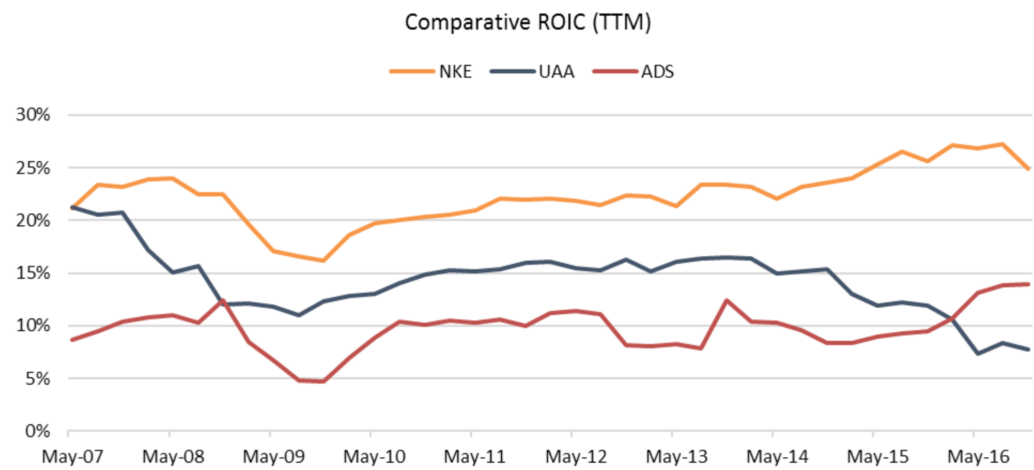
North America	2007	2016	Abs Chg
Nike	35.6%	39.3%	3.7%
Under Armour	3.3%	10.1%	6.8%
adidas	8.2%	8.3%	0.2%
Skechers	6.0%	5.1%	0.9%
The North Face	4.6%	3.8%	0.7%
Columbia	4.9%	3.6%	1.3%
Timberland	5.9%	3.5%	2.4%
Lululemon Athletica	0.7%	3.3%	2.6%
Champion	4.3%	3.2%	1.0%
New Balance	3.5%	2.8%	0.6%
Grand Total	76.8%	83.1%	20.4%
Average Yearly Change			2.3%
Avg Yearly Chg Per Company			23 bps
Market Size CAGR			4.0%

China	2007	2016	Abs Chg
Nike	23.1%	21.8%	1.2%
adidas	19.2%	19.2%	0.0%
Anta	7.6%	12.1%	4.5%
Li Ning	13.2%	6.5%	6.7%
Xtep	4.1%	5.8%	1.7%
New Balance	2.0%	4.8%	2.9%
361 Degrees	2.9%	4.5%	1.6%
Erke	5.1%	2.8%	2.3%
Converse	2.9%	2.8%	0.1%
Peak	2.6%	2.6%	0.0%
Grand Total	82.7%	83.1%	21.0%
Average Yearly Change			2.3%
Avg Yearly Chg Per Company			23 bps
Market Size CAGR			11.8%

Source: Euromonitor

Under Armour – a good case study in deriving "time to scale" – is a company 20 years in the making, first entering the athletic apparel market in 1996 and then footwear in 2006. Today, the company sells ~40m pairs of shoes in North America – good for ~3% of the market – yet has seen its ROIC decline gradually from 20% in 2006 to below 10% today (figure below). Either apparel is getting harder, unlikely given the athleisure trend, or athletic footwear is a much tougher game. My money is on the latter.

Nielsen Fields, CFA
nfields17@gsb.columbia.edu



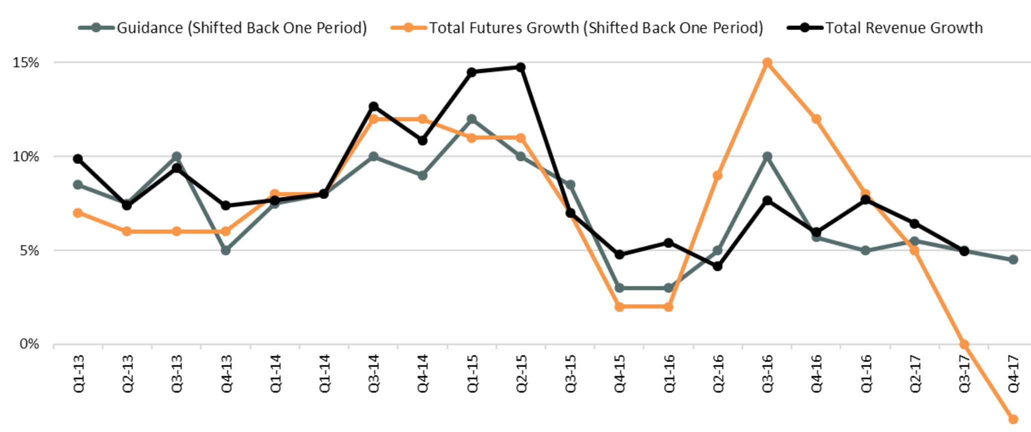
At 3% share of the North American market, Under Armour is – *at best* – earning its cost of capital on the footwear division. A company would likely need upwards of ~4% share to scale and with just 20 bps of share changing hands per company each year, it would take **between 15 and 20 years to build a competitive/profitable footwear brand**.

Investment Thesis

NIKE shares are off near 17% from their high of $67 driven by what amounts to misunderstood or short term challenges, notably 1) "Futures" growth has slowed yet the market underappreciates the structural change to "at-once" revenue, and 2) a cyclical shift into "classics" and out of "performance" shoes has caused NIKE to lose share to a resurging Adidas. Over the last two years both Adidas and Puma shares have returned 137% and 82% (measured in USD) respectively while NIKE shares have languished, returning a modest 11%. NIKE is no longer the industry darling that is once was and now sells at reasonable valuations.

I. Thesis Point: Futures Growth is No Longer a Leading Indicator

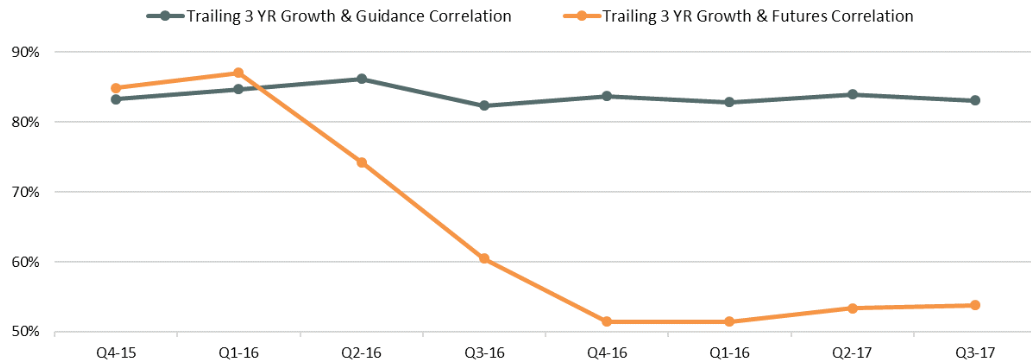
The market has been spooked lately by the decelerating (and recently negative) nature of NIKE's "futures" growth. Briefly, "Futures" are orders from wholesale partners for shoe deliveries three to six months in advance. NIKE has experienced four consecutive quarters of decelerating futures growth and recently noted *negative* 4% growth. Shares fell 7.3% on the news. Not coincidentally, futures growth peaked just prior to NIKE's all time high stock price of ~$67.



A few structural factors are negatively impacting futures growth yet have little impact on NIKE's ultimate consumer demand; 1) big box retailers are struggling, resulting in 2) demand shifting to the DTC channel, and 3) dwindling overall participation in the futures program. One industry contact believed that "for over a decade market participants could

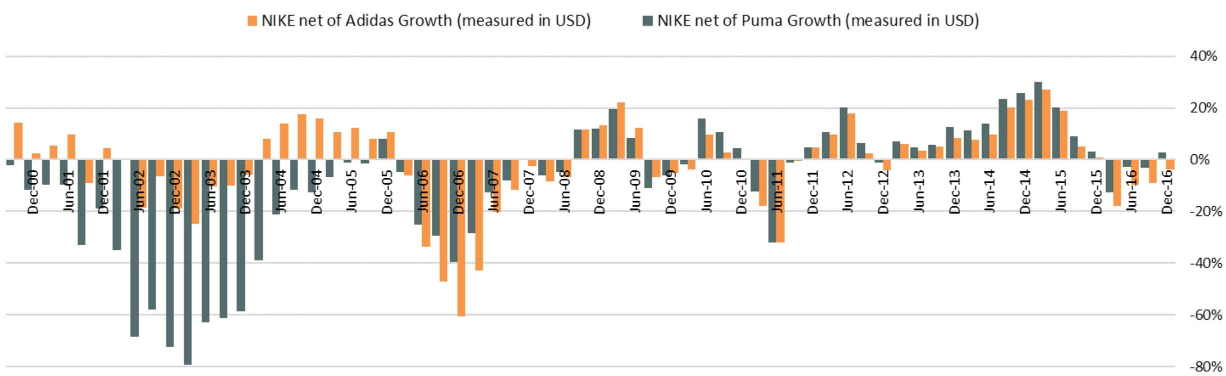
Nielsen Fields, CFA
nfields17@gsb.columbia.edu

depend on futures growth as an indicator of revenue growth". That is no longer the case. Management claims revenue guidance is now a better barometer of future growth. My analysis of correlations between revenue growth and both guidance and futures growth would suggest this to be true.



II. Thesis Point: A Few More Quarters in the Classic Shift

My conversations with industry experts suggest that the recent success at Adidas and Puma is largely driven by a trend out of performance and into classic shoes. Both Adidas and Puma have longer histories to mine for classic design while NIKE is known for performance. For the first time in over a decade the top selling shoe of the year was not a NIKE shoe. That honor for 2016 has gone to the Adidas' Superstar[3]. Shoes two through ten are NIKE.



	Classics	Performance	Classics	Performance	*Unclear*	Performance	Classics
Start of Trend	Mar-02	Mar-04	Mar-06	Sep-08	Mar-11	Mar-13	Mar-16
End of Trend	Dec-03	Sep-05	Jun-08	Dec-10	Dec-12	Dec-15	Mar-18
Length (in QTRs)	7	6	9	9	7	11	8

So how long will the classics trend last? The chart above nets TTM revenue growth from Adidas and Puma against that of NIKE to show who is outperforming (NIKE *above* zero, Adidas/Puma *below* zero) or underperforming. While not an exact science it would appear these cycles tend to last ~8 quarters. With the latest classics trend beginning March 2016, I expect the market to trend back towards performance sometime early 2018. My checks confirm that Adidas' Stan Smiths are already being discount in the channel and that Superstar growth has begun to decelerate.

III. Thesis Point: Margin Opportunity through DTC & Automation Transition

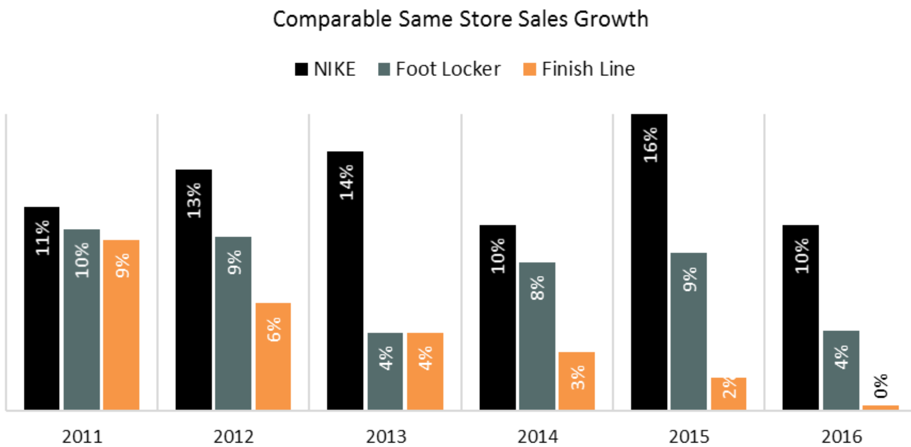
a. Direct-To-Consumer (DTC) Transition

NIKE has a robust and growing direct-to-consumer (DTC) business, driving near $8b in sales from its 1,000+ global store footprint and online channels. For perspective, NIKE's DTC business is roughly the same size as Foot Locker at about a third

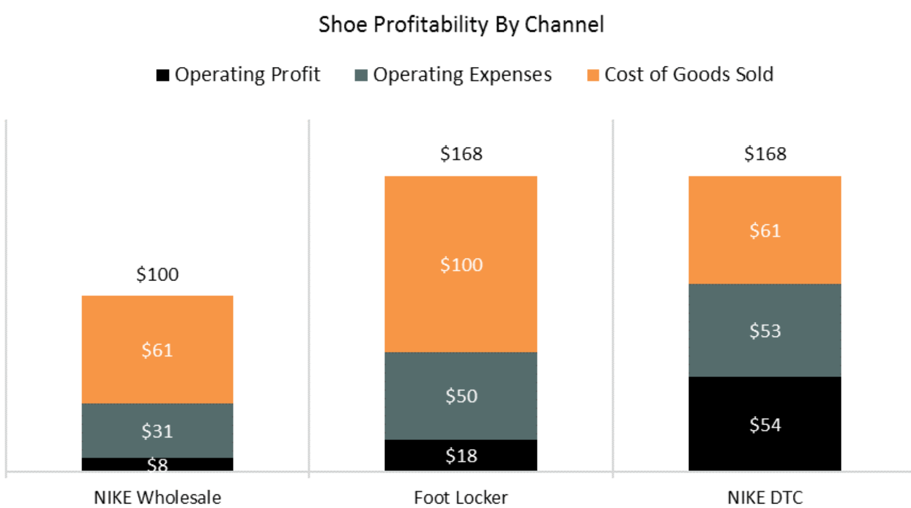
[3] https://qz.com/948439/the-top-10-best-selling-sneakers-in-2016-adidas-beats-nike/

Nielsen Fields, CFA
nfields17@gsb.columbia.edu

of the store count. DTC sales growth has averaged 22% annually over the past 5 years, driven by comparable store growth 2x to 3x that of Foot Locker and Finish Line coupled with online growth near 50% annually.



Importantly, DTC sales are much more profitable than wholesale. My research indicates gross margins are 60% through DTC compared to 40% via wholesale. As the split between wholesale and DTC continues to favor DTC, this will have positive margin implications.



NIKE believes they will be able to expand gross margins 30 to 50 bps per year through 2020[4] and my research suggests most of that expansion will be sourced from the mix into DTC. One contact suggested to me that even on an operating level, DTC is still more profitable than wholesale. My analysis (above) validates this claim. Even considering higher DTC operating costs – benchmarked against Foot Locker and Finish Line – operating margins are 30% versus 10% when comparing DTC to Wholesale respectively.

b. Automation Transition

Gross margins have come down over the past few quarters due in part to discounting taken to exit the golf business and discounting to clear excess channel inventory. The company is also now expensing items related to what it calls a "manufacturing revolution" within costs of goods sold.

[4] 2015 Analyst Day

Nielsen Fields, CFA
nfields17@gsb.columbia.edu

Manufacturing revolution investments, though short term dilutive, will have positive long term consequences on gross margin. Shoe uppers are now woven mechanically from a single thread versus fabric that is cut, glued, and sewn together. NIKE calls this technology FlyKnit while Adidas calls it PrimeKnit (interesting YouTube video on PrimeKnit).

Knitting the upper along with the potential to 3D print the lower means; 1) Shoe manufacturing will become less labor intensive and reduces waste by about 60% relative to cut and sew footwear. 2) Shoe manufacturing will be locally sourced. NIKE is working with Flextronics/Apollo to manufacture shoes in the US while Adidas' has built a speedfactory in Atlanta. 3) Reduced time to market for new shoes which traditionally take 12 to 18 months[5]. Faster time to market will limit the need to clear latent "off trend" inventory through discounting.

My checks indicate that NIKE, Adidas, and Sketchers effectively control the entire supply of knitted upper capacity and that resulting gross margin benefits will likely accrue to NIKE/Adidas/Sketchers in the medium term but will be shared with wholesale partners in the long term.

Valuation & Recommendation

At their 2015 Analyst Day **NIKE noted their goal of reaching $50b in sales by 2020** which implies a 10 year CAGR of roughly 10%. One former employee said this is what NIKE calls a BAG – big audacious goal. Already behind target, the implied CAGR off consensus FY 2017 revenue is now 13%.

Implied Growth to 2020 Guidance

Year	Revenue	Actual Growth	CAGR to 2020 Goal	Delta
2010	19,014	(0.8%)	10.1%	(10.9%)
2011	20,117	5.8%	10.6%	(4.8%)
2012	23,331	16.0%	10.0%	6.0%
2013	25,313	8.5%	10.2%	(1.7%)
2014	27,799	9.8%	10.3%	(0.5%)
2015	30,601	10.1%	10.3%	(0.2%)
2016	32,376	5.8%	11.5%	(5.7%)
2017	34,571	6.8%	13.1%	(6.3%)
2018				
2019				
2020	50,000			

NIKE 3-YR CAGR Base Rate of 2017

Sales: >$25,000 Mn	Base Rates			
Sales CAGR (%)	1-Yr	3-Yr	5-Yr	10-Yr
<(25)	3.6%	1.6%	1.0%	0.1%
(25)-(20)	1.5%	0.8%	0.6%	0.2%
(20)-(15)	2.4%	2.0%	1.5%	0.8%
(15)-(10)	4.8%	3.8%	3.0%	2.5%
(10)-(5)	9.1%	9.0%	8.2%	9.0%
(5)-0	16.6%	19.8%	21.3%	22.9%
0-5	21.8%	26.9%	32.6%	37.1%
5-10	15.9%	18.2%	18.1%	20.2%
10-15	9.0%	9.1%	8.5%	5.8%
15-20	5.6%	4.3%	3.2%	1.3%
20-25	3.2%	2.2%	1.2%	0.2%
25-30	2.3%	1.1%	0.4%	0.0%
30-35	1.1%	0.4%	0.2%	0.0%
35-40	0.7%	0.4%	0.1%	0.0%
40-45	0.5%	0.2%	0.1%	0.0%
>45	1.9%	0.3%	0.0%	0.0%
Mean	3.6%	2.4%	2.1%	1.7%
Median	2.7%	2.2%	2.0%	1.8%
StDev	18.1%	10.9%	8.6%	6.1%

Source: Credit Suisse; The Base Rate Book

According the Credit Suisse Base Rate Book, it is unlikely that NIKE will grow 13% annually to reach its $50b revenue goal. Over a three-year period, only 18% of companies with sales above $25b have grown that fast. Taking the outside view, as outlined in the "Returns Space" section, I believe NIKE can grow at ~6% over the next 5 years and reach $46b in revenue. This is still 8% below the $50b revenue target with two additional years of growth.

NIKE will get additional earnings growth from an annual 60 bps expansion in operating margin driven by the shift into DTC and manufacturing revolution gains as upside. **In total, NOPAT will grow near 10% annually over next 5 years**. At 70%+ ROIIC's, little incremental capital is required for that growth profile. My model incorporates a 15 to 20-year gradual fade from year 2022 onward to 2.5% NOPAT growth and an 8% ROIIC, equivalent to NIKE's cost of capital.

[5] NPD Group: Basketball Forecasting White Paper

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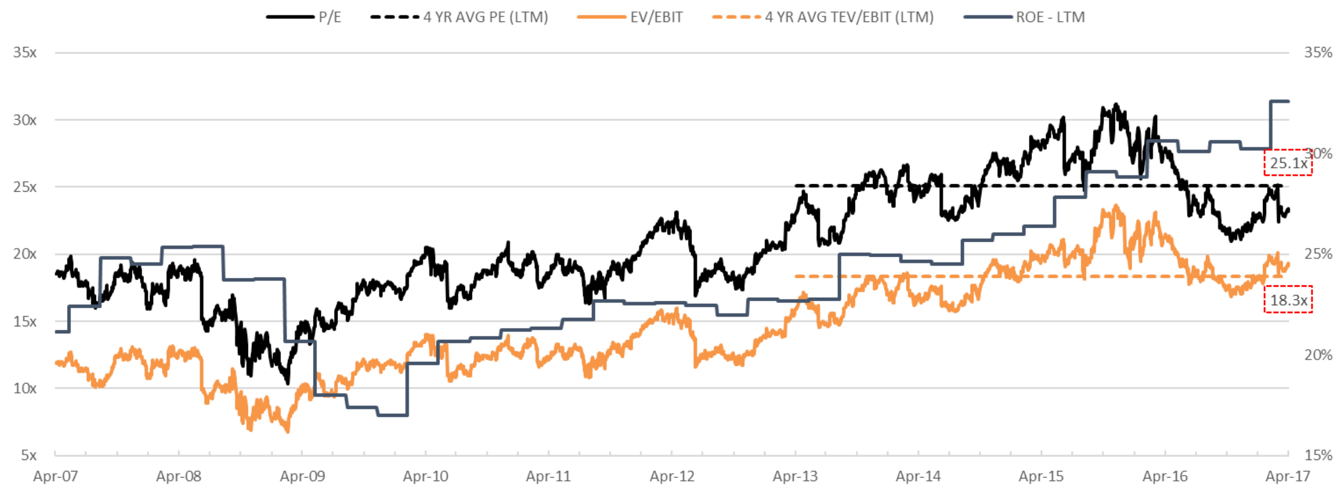
These assumptions derive fair value trailing multiples of **17.5x EV/EBIT and 24.5x FCF** which are in-line with NIKE's 4 year average multiples, a period when the company's ROE began to tick up meaningfully. Applied to **my May-2022 estimates, I arrive at a $90 valuation.**



I recommend a BUY on NIKE shares, and while not setting the world on fire with an ~12% IRR to my ~$90 valuation, I think the risk/reward here is attractive. My bear case of $43 assumes: 1) Annual revenue growth of just 2% (effectively inflation), 2) no margin expansion, and 3) significant multiple compression. My bull case of $120 assumes: 1) Management reaches its $50b revenue target in 2021 (versus guidance of 2020), 2) achieves 50 bps per annum of gross margin expansion, the upper-range of management guidance, and 3) multiples expand one turn yet remain 10% to 15% below '14 and '15 peak levels.

PRICE TARGET

Trailing Year: 2022E	**2022 EBIT Based Valuation:**				**2022 FCF Based Valuation:**		
	Bear	**Base**	**Bull**		**Bear**	**Base**	**Bull**
2022E - EBIT	**5,371**	**7,845**	**9,826**	**2022E - FCF Per Share**	**$2.51**	**$3.67**	**$4.58**
Trailing Multiple	11.9x	17.6x	18.6x	Trailing Multiple	16.2x	24.5x	25.5x
Enterprise Value	**64,122**	**137,873**	**182,515**	*FCF Yield*	*6.2%*	*4.1%*	*3.9%*
Net (Debt) / Cash	8,011	3,512	39				
Market Value	**72,133**	**141,384**	**182,554**				
Shares Outstanding	1,575.8	1,522.8	1,490.9				
2021E Value Per Share	**$46**	**$93**	**$122**	**2021E Value Per Share**	**$41**	**$90**	**$117**
Upside/Downside	(18%)	66%	119%	Upside/Downside	(27%)	61%	109%
IRR w/ Dividends	***(3%)***	***12%***	***18%***	***IRR w/ Dividends***	***(5%)***	***11%***	***17%***
PV @ 8.0% Discount	$33	$68	$89	PV @ 8.0% Discount	$30	$66	$85
Margin of Safety	*N/A*	*(18%)*	*(37%)*	*Margin of Safety*	*N/A*	*(15%)*	*(34%)*

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Appendix

a. Key Risks:

Futures: The interim bear case is focused on declining futures growth. Should futures growth prove more predictive than management guidance, then the markets apprehension due to negative futures growth is warranted. With the global market for both athletic footwear and apparel expected to grow LSD/MSD, anything lower for NIKE would represent share concession.

Discounting: On the gross margin front, the inventory issue compressing margins in 2016 should be worked through during calendar 2017. Should margins continue to be pressured in calendar 2018, achieving the 30 to 50 bps yearly margin expansion would be difficult to achieve as the manufacturing and DTC channel benefits would simply offset potential ASP deterioration in the wholesale channel.

Border Adjustment Tax: A border adjustment tax in which US companies could no longer deduct costs of imports in regards to taxes would have a negative effect on NIKE's North American business, a region representing 65% of operating profit for the company. Net income margins would likely fall from 16.5% to 11.4% even when incorporating a 20% tax rate from the current 35%. There is still a debate whether a border adjustment or tax will occur and how much of a potential increase in costs NIKE could/would pass through to its retailers. Given the concentrated nature of shoe importers (NIKE, Adidas, Under Armour, etc) relative to the diluted nature of wholesalers (NIKE sells to ~20,000 retailers) I think it is more likely NIKE can pass the cost on to wholesalers than bear the full brunt of a boarder adjustment.

Adidas a Credible Threat: The biggest long term risk however – and the one that should keep you up at night if you are long NIKE – is the resurgence of Adidas. Adidas has significant share in Western Europe and might be able to leverage that into a share gains in the faster growing emerging markets. Emerging markets represent a largely untapped market and should Adidas get a foothold there like that of NIKE in the US, NIKE's future growth prospects/profitability could be limited in the region.

b. Management

Phil Knight ran NIKE as President and CEO through 2006 and was Chairmen of the Board until June 2016. Mark Parker – a near 40-year veteran of the company – has taken over Mr. Knight's roles in each case. The time is approaching when Mr. Parker is likely to step down from NIKE. A former employee mentioned three potential candidates to replace Parker; Trevor Edwards, President-NIKE Brand, Eric Sprunk, COO, and Michael Spillane, President-Product & Merchandising.

Bloomberg cited these same candidates last summer and noted that when Knight pitted Parker against Charlie Denson for the role of CEO in 2001, Knight "chose Parker because of his background in product innovation and marketing – the core of NIKE's success."[6] Doing the same would put Trevor Edwards – a 25-year veteran of NIKE – at the helm.

Mr. Parker's compensation includes an annual base salary of $1.55m, an annual incentive cash bonus based solely on pre-tax income, and long-term performance incentives based on cumulative revenue and EPS goals (excluding the impact acquisitions) paid in 1) cash set at $3.5m, 2) stock options, and 3) restricted stock. Mr. Parker was also granted $30m in stock in 2016 due to his newly combined role as Chairman and CEO. Shares will vest through 2020 based on CAGR of 9% in revenue and 13% in EPS. Mr. Parker owns 5.7m shares (fully diluted) worth ~$320m; he is significantly aligned with shareholders.

[6] https://www.bloomberg.com/news/articles/2016-06-27/nike-shakeup-creates-three-man-race-to-succeed-parker-as-ceo