

ModernGraham Valuation

Company Name:

Nike Inc

Company Ticker

NKE

Date of Analysis

5/13/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$98,176,852,573	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.06	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	124.44%	Pass
6. Moderate PEmg Ratio	PEmg < 20	32.68	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	8.09	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	3.06	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.20	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.75
MG Growth Estimate	10.20%
MG Value	\$50.67
MG Value based on 3% Growth	\$25.42
MG Value based on 0% Growth	\$14.90
Market Implied Growth Rate	12.09%

MG Opinion

Current Price	\$57.29
% of Intrinsic Value	113.06%
Opinion	Overvalued
MG Grade	C-

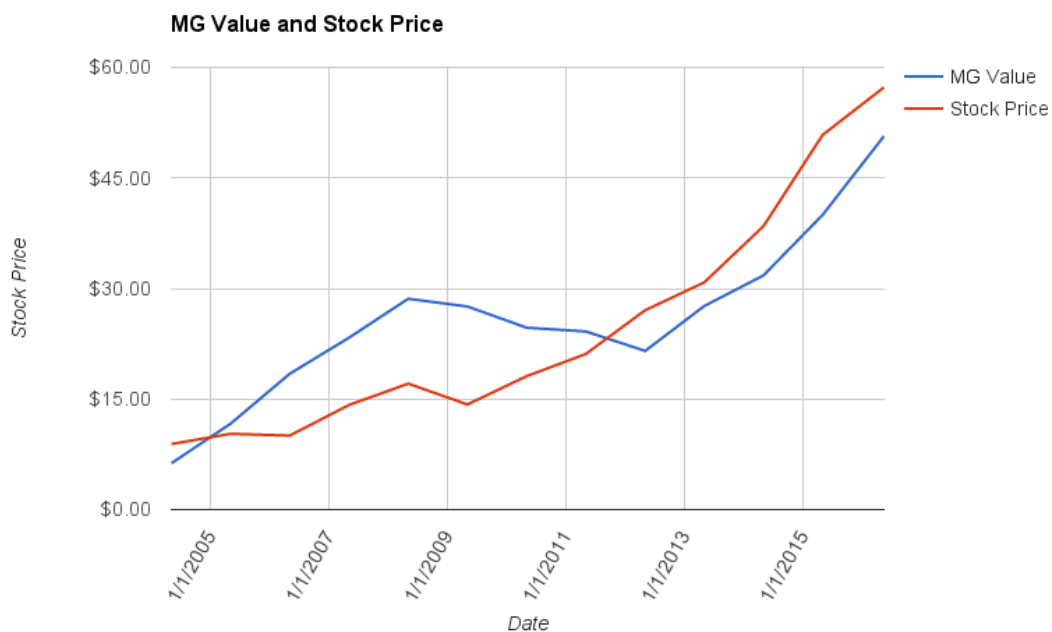
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.78
Graham Number	\$19.37
PEmg	32.68
Current Ratio	3.06
PB Ratio	8.09
Current Dividend	\$0.60
Dividend Yield	1.05%
Number of Consecutive Years of Dividend Growth	8

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.11	Next Fiscal Year Estimate	\$1.75
5/1/2015	\$1.85	5/1/2015	\$1.51
5/1/2014	\$1.49	5/1/2014	\$1.30
5/1/2013	\$1.36	5/1/2013	\$1.17
5/1/2012	\$1.18	5/1/2012	\$1.04
5/1/2011	\$1.10	5/1/2011	\$0.95
5/1/2010	\$0.97	5/1/2010	\$0.85
5/1/2009	\$0.76	5/1/2009	\$0.77
5/1/2008	\$0.94	5/1/2008	\$0.74
5/1/2007	\$0.73	5/1/2007	\$0.61
5/1/2006	\$0.66	5/1/2006	\$0.51
5/1/2005	\$0.56	5/1/2005	\$0.41
5/1/2004	\$0.44	5/1/2004	\$0.32
5/1/2003	\$0.22	5/1/2003	\$0.26
5/1/2002	\$0.31	5/1/2002	\$0.26
5/1/2001	\$0.27	5/1/2001	\$0.24
5/1/2000	\$0.26	5/1/2000	\$0.23
5/1/1999	\$0.20	Balance Sheet Information Total Current Assets \$15,256,000,000 Total Current Liabilities \$4,980,000,000 Long-term Debt \$2,048,000,000 Total Assets \$20,987,000,000 Intangible Assets \$412,000,000 Total Liabilities \$8,687,000,000 Shares Outstanding (Diluted Average) 1,737,300,000	
5/1/1998	\$0.17		
5/1/1997	\$0.34		
5/1/1996	\$0.24		





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

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