

ModernGraham Valuation

Company Name:

Nike Inc

Company Ticker NKE

Date of Analysis

7/22/2017



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	\$99,926,355,279	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.93	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	156.82%	Pass
5. Earnings Growth	PEmg < 20	25.98	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	8.11	Fail
7. Moderate Price to Assets			

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	2.93	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.33	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.31
MG Growth Estimate	11.57%
MG Value	\$73.00
MG Value based on 3% Growth	\$33.46
MG Value based on 0% Growth	\$19.61
Market Implied Growth Rate	8.74%

MG Opinion

Current Price	\$59.95
% of Intrinsic Value	82.13%
Opinion	Fairly Valued
MG Grade	C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.10
Graham Number	\$20.89
PEmg	25.98
Current Ratio	2.93
PB Ratio	8.11
Current Dividend	\$0.70
Dividend Yield	1.17%
Number of Consecutive Years of Dividend Growth	15

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
May2017	\$2.58	May2017	\$2.31
May2016	\$2.51	May2016	\$2.07
May2015	\$2.16	May2015	\$1.77
May2014	\$1.85	May2014	\$1.51
May2013	\$1.49	May2013	\$1.30
May2012	\$1.35	May2012	\$1.16
May2011	\$1.18	May2011	\$1.04
May2010	\$1.10	May2010	\$0.95
May2009	\$0.97	May2009	\$0.85
May2008	\$0.76	May2008	\$0.77
May2007	\$0.94	May2007	\$0.74
May2006	\$0.73	May2006	\$0.61
May2005	\$0.66	May2005	\$0.51
May2004	\$0.56	May2004	\$0.41
May2003	\$0.44	May2003	\$0.32
May2002	\$0.22	May2002	\$0.26
May2001	\$0.31	May2002	\$0.26
May2000	\$0.27	Balance Sheet Information	
May1999	\$0.26	5/1/2017	
May1998	\$0.20	Total Current Assets	\$16,061,000,000
	\$0.17	Total Current Liabilities	\$5,474,000,000
		Long-Term Debt	\$3,471,000,000
		Total Assets	\$23,259,000,000
		Intangible Assets	\$422,000,000
		Total Liabilities	\$10,852,000,000
		Shares Outstanding (Diluted Average)	1,678,800,000





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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company

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[Stage Stores Inc Valuation – Initial Coverage \\$SSI](#)
[Carter's Inc Valuation – Initial Coverage \\$CRI](#)
[Kate Spade & Co Valuation – Initial Coverage \\$KATE](#)
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