

# ModernGraham Valuation

Company Name:

Nike Inc

Company Ticker NKE

Date of Analysis

2/25/2018



## 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	\$111,204,305,981	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.46	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	140.52%	Pass
5. Earnings Growth	PEmg < 20	31.64	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	9.63	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	2.46	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.35	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.15
MG Growth Estimate	9.80%
<b>MG Value</b>	<b>\$60.54</b>
MG Value based on 3% Growth	\$31.23
MG Value based on 0% Growth	\$18.31
Market Implied Growth Rate	11.57%

### MG Opinion

Current Price	\$68.16
% of Intrinsic Value	112.59%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.58
Graham Number	\$18.98
PEmg	31.64
Current Ratio	2.46
PB Ratio	9.63
Current Dividend	\$0.70
Dividend Yield	1.03%
Number of Consecutive Years of Dividend Growth	15

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	\$2.15
May2017	\$2.12	May2017	\$2.07
May2016	\$2.51	May2016	\$1.77
May2015	\$2.16	May2015	\$1.51
May2014	\$1.85	May2014	\$1.30
May2013	\$1.49	May2013	\$1.16
May2012	\$1.35	May2012	\$1.04
May2011	\$1.18	May2011	\$0.95
May2010	\$1.10	May2010	\$0.85
May2009	\$0.97	May2009	\$0.77
May2008	\$0.76	May2008	\$0.74
May2007	\$0.94	May2007	\$0.61
May2006	\$0.73	May2006	\$0.51
May2005	\$0.66	May2005	\$0.41
May2004	\$0.56	May2004	\$0.32
May2003	\$0.44	May2003	\$0.26
May2002	\$0.22	May2002	\$0.26
May2001	\$0.31	<b>Balance Sheet Information 11/1/2017</b>	
May2000	\$0.27	Total Current Assets	\$16,582,000,000
May1999	\$0.26	Total Current Liabilities	\$6,750,000,000
May1998	\$0.20	Long-Term Debt	\$3,472,000,000
	\$0.17	Total Assets	\$24,055,000,000
		Intangible Assets	\$421,000,000
		Total Liabilities	\$12,297,000,000
		Shares Outstanding (Diluted Average)	1,660,900,000





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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[Abercrombie & Fitch Co Valuation – March 2017 \\$ANF](#)  
[Crocs Inc Valuation – Initial Coverage \\$CROX](#)  
[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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