# **ModernGraham Valuation**

## **Company Name:**

Nike Inc

Company Ticker NKE

Date of Analysis 11/20/2018



### 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	\$113,827,653,487 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.31 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	
5. Earnings Growth	beginning and end	95.37% Pass
6. Moderate PEmg Ratio	PEmg < 20	34.10 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	13.07 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	2.31 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.39 Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

168.11%

Score

Suitability

MG Opinion

Defensive No Enterprising Yes

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$2.11
MG Growth Estimate	5.89%
MG Value	\$42.77
MG Value based on 3% Growth	\$30.58
MG Value based on 0% Growth	\$17.92
Market Implied Growth Rate	12.80%
Current Price	\$71.90

% of Intrinsic Value Opinion Overvalued

Stage 3: Information for Further Research

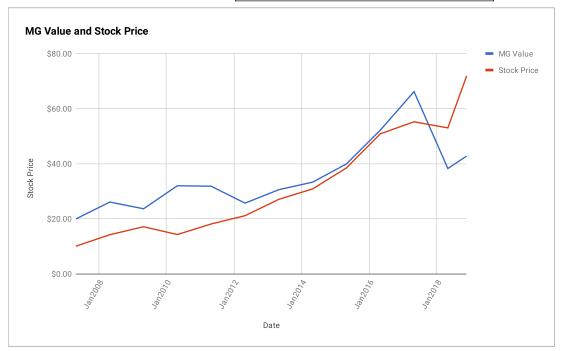
MG Grade

Net Current Asset Value (NCAV)	\$1.23
Graham Number	\$19.12
PEmg	34.10
Current Ratio	2.31
PB Ratio	13.07
Current Dividend	\$0.78
Dividend Yield	1.08%
Number of Consecutive Years of Dividend	
Growth	17

**Useful Links:** ModernGraham tagged articles

Morningstar Google Finance MSN Money Yahoo Finance Seeking Alpha <u>GuruFocus</u> **SEC Filings** 

EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$2.1
May2018	\$1.17	May2018	\$1.84
May2017	\$2.51	May2017	\$2.07
May2016	\$2.16	May2016	\$1.77
May2015	\$1.85	May2015	\$1.5
May2014	\$1.49	May2014	\$1.30
May2013	\$1.35	May2013	\$1.10
May2012	\$1.18	May2012	\$1.0
May2011	\$1.10	May2011	\$0.9
May2010	\$0.97	May2010	\$0.83
May2009	\$0.76	May2009	\$0.7
May2008	\$0.94	May2008	\$0.6
May2007	\$0.73	May2007	\$0.5
May2006	\$0.33	May2006	\$0.4
May2005	\$0.56	May2005	\$0.4
May2004	\$0.44	May2004	\$0.3
May2003	\$0.22	May2003	\$0.2
May2002	\$0.31	Balance Sheet Information	8/1/201
May2001	\$0.27	Total Current Assets	\$15,501,000,000
May2000	\$0.26	Total Current Liabilities	\$6,708,000,00
May1999	\$0.20	Long-Term Debt	\$3,467,000,00
		Total Assets	\$22,483,000,000
		Intangible Assets	\$438,000,000
		Total Liabilities	\$13,491,000,00
		Shares Outstanding (Diluted Average)	1,634,400,000





#### 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.

#### Recommended Reading:

Other ModernGraham posts about the company Nike Inc Valuation – February 2018 \$NKE
Nike Inc Valuation – July 2017 \$NKE
Nike Inc Valuation – November 2016 \$NKE
Nike Inc. Valuation – May 2016 \$NKE

5 Undervalued Companies with a Low Beta – February 2016

Other ModernGraham posts about related companies Deckers Outdoor Corp Valuation – May 2018 \$DECK Ralph Lauren Corp Valuation – May 2018 \$RL Abercrombie & Fitch Co Valuation – May 2018 \$ANF Steven Madden Ltd Valuation – May 2018 \$SHOO

American Eagle Outfitters Inc Valuation - May 2018 \$AEO

Crocs Inc Valuation – May 2018 \$CROX
Chico's FAS Inc Valuation – May 2018 \$CHS
Carter's Inc Valuation – May 2018 \$CRI

Stage Stores Inc Valuation - May 2018 \$SSI

Wolverine World Wide Inc Valuation - May 2018 \$WWW