

# 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 beginning and end	95.37%	Pass
5. Earnings Growth	PEmg < 20	34.10	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	13.07	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	2.31	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.39	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
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	\$2.11
MG Growth Estimate	5.89%
<b>MG Value</b>	<b>\$42.77</b>
MG Value based on 3% Growth	\$30.58
MG Value based on 0% Growth	\$17.92
Market Implied Growth Rate	12.80%

### MG Opinion

Current Price	\$71.90
% of Intrinsic Value	168.11%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

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

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.65	Next Fiscal Year Estimate	\$2.11
May2018	\$1.17	May2018	\$1.84
May2017	\$2.51	May2017	\$2.07
May2016	\$2.16	May2016	\$1.77
May2015	\$1.85	May2015	\$1.51
May2014	\$1.49	May2014	\$1.30
May2013	\$1.35	May2013	\$1.16
May2012	\$1.18	May2012	\$1.04
May2011	\$1.10	May2011	\$0.95
May2010	\$0.97	May2010	\$0.83
May2009	\$0.76	May2009	\$0.73
May2008	\$0.94	May2008	\$0.68
May2007	\$0.73	May2007	\$0.52
May2006	\$0.33	May2006	\$0.40
May2005	\$0.56	May2005	\$0.41
May2004	\$0.44	May2004	\$0.32
May2003	\$0.22	May2003	\$0.26
May2002	\$0.31	<b>Balance Sheet Information 8/1/2018</b>	
May2001	\$0.27	Total Current Assets	\$15,501,000,000
May2000	\$0.26	Total Current Liabilities	\$6,708,000,000
May1999	\$0.20	Long-Term Debt	\$3,467,000,000
		Total Assets	\$22,483,000,000
		Intangible Assets	\$438,000,000
		Total Liabilities	\$13,491,000,000
		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:

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[Nike Inc Valuation – July 2017 \\$NKE](#)  
[Nike Inc Valuation – November 2016 \\$NKE](#)  
[Nike Inc. Valuation – May 2016 \\$NKE](#)  
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[Steven Madden Ltd Valuation – May 2018 \\$SHOO](#)  
[Stage Stores Inc Valuation – May 2018 \\$SSI](#)  
[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](#)  
[Wolverine World Wide Inc Valuation – May 2018 \\$WWW](#)