

NIKE, Inc.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	THREE MONTHS ENDED			%	NINE MONTHS ENDED			%
(In millions, except per share data)	2/28/2021	2/29/2020	Change		2/28/2021	2/29/2020	Change	
Revenues	\$ 10,357	\$ 10,104	3%		\$ 32,194	\$ 31,090	4%	
Cost of sales	5,638	5,631	0%		17,887	17,202	4%	
Gross profit	4,719	4,473	5%		14,307	13,888	3%	
Gross margin	45.6 %	44.3 %			44.4 %	44.7 %		
Demand creation expense	711	870	-18%		2,117	2,769	-24%	
Operating overhead expense	2,330	2,413	-3%		7,166	7,166	0%	
Total selling and administrative expense	3,041	3,283	-7%		9,283	9,935	-7%	
% of revenues	29.4 %	32.5 %			28.8 %	32.0 %		
Interest expense (income), net	64	12	—		199	39	—	
Other (income) expense, net	(22)	297	—		18	223	—	
Income before income taxes	1,636	881	86%		4,807	3,691	30%	
Income tax expense	187	34	450%		589	362	63%	
Effective tax rate	11.4 %	3.9 %			12.3 %	9.8 %		
NET INCOME	\$ 1,449	\$ 847	71%		\$ 4,218	\$ 3,329	27%	
Earnings per common share:								
Basic	\$ 0.92	\$ 0.54	70%		\$ 2.68	\$ 2.13	26%	
Diluted	\$ 0.90	\$ 0.53	70%		\$ 2.62	\$ 2.09	25%	
Weighted average common shares outstanding:								
Basic	1,578.0	1,556.3			1,570.9	1,559.8		
Diluted	1,616.9	1,591.6			1,607.3	1,594.6		
Dividends declared per common share	\$ 0.275	\$ 0.245			\$ 0.795	\$ 0.710		

NIKE, Inc.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(Dollars in millions)</i>	February 28, 2021	February 29, 2020	% Change
ASSETS			
Current assets:			
Cash and equivalents	\$ 8,516	\$ 2,863	197%
Short-term investments	4,012	319	1,158%
Accounts receivable, net	3,669	4,473	-18%
Inventories	6,693	5,807	15%
Prepaid expenses and other current assets	1,810	2,282	-21%
Total current assets	24,700	15,744	57%
Property, plant and equipment, net	4,958	4,783	4%
Operating lease right-of-use assets, net	3,149	2,907	8%
Identifiable intangible assets, net	271	275	-1%
Goodwill	242	223	9%
Deferred income taxes and other assets	2,865	2,288	25%
TOTAL ASSETS	\$ 36,185	\$ 26,220	38%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ —	\$ 4	-100%
Notes payable	4	9	-56%
Accounts payable	2,257	2,221	2%
Current portion of operating lease liabilities	470	422	11%
Accrued liabilities	5,907	5,356	10%
Income taxes payable	256	268	-4%
Total current liabilities	8,894	8,280	7%
Long-term debt	9,412	3,463	172%
Operating lease liabilities	2,964	2,758	7%
Deferred income taxes and other liabilities	2,984	2,674	12%
Redeemable preferred stock	—	—	—
Shareholders' equity	11,931	9,045	32%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 36,185	\$ 26,220	38%

NIKE, Inc.
DIVISIONAL REVENUES
(Unaudited)

	THREE MONTHS ENDED		%	% Change Excluding Currency Changes ¹	NINE MONTHS ENDED		%	% Change Excluding Currency Changes ¹
(Dollars in millions)	2/28/2021	2/29/2020	Change		2/28/2021	2/29/2020	Change	
North America								
Footwear	\$ 2,382	\$ 2,628	-9%	-9%	\$ 7,851	\$ 7,723	2%	2%
Apparel	1,087	1,228	-11%	-12%	3,580	4,076	-12%	-12%
Equipment	95	123	-23%	-22%	364	455	-20%	-20%
Total	3,564	3,979	-10%	-11%	11,795	12,254	-4%	-4%
Europe, Middle East & Africa								
Footwear	1,606	1,711	-6%	-11%	5,139	5,005	3%	-1%
Apparel	898	889	1%	-4%	2,973	2,655	12%	8%
Equipment	105	109	-4%	-6%	365	359	2%	0%
Total	2,609	2,709	-4%	-9%	8,477	8,019	6%	2%
Greater China								
Footwear	1,614	1,075	50%	41%	4,432	3,486	27%	23%
Apparel	616	400	54%	44%	1,775	1,428	24%	20%
Equipment	49	31	58%	53%	150	118	27%	24%
Total	2,279	1,506	51%	42%	6,357	5,032	26%	22%
Asia Pacific & Latin America								
Footwear	903	963	-6%	-7%	2,652	2,890	-8%	-5%
Apparel	365	388	-6%	-8%	1,098	1,154	-5%	-2%
Equipment	47	63	-25%	-26%	135	183	-26%	-23%
Total	1,315	1,414	-7%	-8%	3,885	4,227	-8%	-5%
Global Brand Divisions ²	6	8	-25%	-32%	18	24	-25%	-27%
TOTAL NIKE BRAND	9,773	9,616	2%	-2%	30,532	29,556	3%	2%
Converse	570	506	13%	8%	1,609	1,541	4%	2%
Corporate ³	14	(18)	—	—	53	(7)	—	—
TOTAL NIKE, INC. REVENUES	\$ 10,357	\$ 10,104	3%	-1%	\$ 32,194	\$ 31,090	4%	2%
TOTAL NIKE BRAND								
Footwear	\$ 6,505	\$ 6,377	2%	-1%	\$ 20,074	\$ 19,104	5%	4%
Apparel	2,966	2,905	2%	-1%	9,426	9,313	1%	0%
Equipment	296	326	-9%	-11%	1,014	1,115	-9%	-9%
Global Brand Divisions ²	6	8	-25%	-32%	18	24	-25%	-27%
TOTAL NIKE BRAND REVENUES	\$ 9,773	\$ 9,616	2%	-2%	\$ 30,532	\$ 29,556	3%	2%

¹ The percent change has been calculated using actual exchange rates in use during the comparative prior year period and is provided to enhance the visibility of the underlying business trends by excluding the impact of translation arising from foreign currency exchange rate fluctuations, which is considered a non-GAAP financial measure. Management uses this non-GAAP financial measure when evaluating the Company's performance, including when making financial and operating decisions. Additionally, management believes this non-GAAP financial measure provides investors with additional financial information that should be considered when assessing the Company's underlying business performance and trends. References to this measure should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with U.S. GAAP and may not be comparable to similarly titled non-GAAP measures used by other companies.

² Global Brand Divisions revenues include NIKE Brand licensing and other miscellaneous revenues that are not part of a geographic operating segment.

³ Corporate revenues primarily consist of foreign currency hedge gains and losses related to revenues generated by entities within the NIKE Brand geographic operating segments and Converse, but managed through the Company's central foreign exchange risk management program.

NIKE, Inc.
EARNINGS BEFORE INTEREST AND TAXES¹
(Unaudited)

	THREE MONTHS ENDED			NINE MONTHS ENDED		
			%			%
<i>(Dollars in millions)</i>	2/28/2021	2/29/2020	Change	2/28/2021	2/29/2020	Change
North America	\$ 970	\$ 937	4%	\$ 3,295	\$ 2,912	13%
Europe, Middle East & Africa	533	575	-7%	1,885	1,694	11%
Greater China	973	556	75%	2,552	1,919	33%
Asia Pacific & Latin America	408	387	5%	1,112	1,105	1%
Global Brand Divisions ²	(852)	(895)	5%	(2,546)	(2,624)	3%
TOTAL NIKE BRAND¹	2,032	1,560	30%	6,298	5,006	26%
Converse	150	96	56%	405	324	25%
Corporate ³	(482)	(763)	37%	(1,697)	(1,600)	-6%
TOTAL NIKE, INC. EARNINGS BEFORE INTEREST AND TAXES¹	1,700	893	90%	5,006	3,730	34%
Interest expense (income), net	64	12	—	199	39	—
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES	\$ 1,636	\$ 881	86%	\$ 4,807	\$ 3,691	30%

¹ The Company evaluates the performance of individual operating segments based on earnings before interest and taxes (commonly referred to as “EBIT”), which represents net income before interest expense (income), net and income tax expense. Total NIKE Brand EBIT and Total NIKE, Inc. EBIT are considered non-GAAP financial measures and are being provided as management believes this additional information should be considered when assessing the Company’s underlying business performance and trends. References to EBIT should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with U.S. GAAP and may not be comparable to similarly titled non-GAAP measures used by other companies.

² Global Brand Divisions primarily represent demand creation and operating overhead expense, including product creation and design expenses that are centrally managed for the NIKE Brand, as well as costs associated with NIKE Direct global digital operations and enterprise technology. Global Brand Divisions revenues include NIKE Brand licensing and other miscellaneous revenues that are not part of a geographic operating segment.

³ Corporate consists primarily of unallocated general and administrative expenses, including expenses associated with centrally managed departments; depreciation and amortization related to the Company’s corporate headquarters; unallocated insurance, benefit and compensation programs, including stock-based compensation; and certain foreign currency gains and losses, including certain hedge gains and losses. For the three and nine months ended February 28, 2021, Corporate included non-recurring employee termination and related costs associated with the previously announced leadership and operating model changes.

NIKE, Inc.

RETURN ON INVESTED CAPITAL¹

(Unaudited)

FOR THE TRAILING FOUR QUARTERS ENDED

(Dollars in millions)

2/28/2021 5/31/2020

Numerator		
Net income	\$ 3,428	\$ 2,539
Add: Interest expense (income), net	249	89
Add: Income tax expense	575	348
Earnings before interest and taxes	4,252	2,976
Income tax adjustment ²	(601)	(352)
Earnings before interest and after taxes	\$ 3,651	\$ 2,624

AVERAGE FOR THE TRAILING FIVE QUARTERS ENDED

2/28/2021 5/31/2020

Denominator		
Total debt ^{3,4}	\$ 11,658	\$ 8,022
Add: Shareholders' equity	9,779	8,938
Less: Cash and equivalents and Short-term investments	9,158	4,756
Total invested capital	\$ 12,279	\$ 12,204

RETURN ON INVESTED CAPITAL	29.7 %	21.5 %
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¹ Return on invested capital ("ROIC") represents a performance measure that management believes is useful information in understanding the Company's ability to effectively manage invested capital. ROIC is considered a non-GAAP financial measure and should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with U.S. GAAP and may not be comparable to similarly titled non-GAAP measures used by other companies.

² Equals Earnings before interest and taxes multiplied by the effective tax rate as of the respective quarter end.

³ Total debt includes the following: 1) Current portion of long-term debt, 2) Notes Payable, 3) Current portion of operating lease liabilities, 4) Long-term debt and 5) Operating lease liabilities.

⁴ The Company adopted Accounting Standards Codification No. 842, Leases, on June 1, 2019. For comparability, total debt for each quarter prior to adoption includes approximately \$3.2 billion, which represents the current and long-term portion of the Company's operating lease liabilities as of June 1, 2019.