

NIKE, Inc.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	THREE MONTHS ENDED			%	SIX MONTHS ENDED		%
(In millions, except per share data)	11/30/2021	11/30/2020	Change		11/30/2021	11/30/2020	Change
Revenues	\$ 11,357	\$ 11,243	1%	\$	23,605	\$ 21,837	8%
Cost of sales	6,144	6,396	-4%		12,696	12,249	4%
Gross profit	5,213	4,847	8%		10,909	9,588	14%
Gross margin	45.9 %	43.1 %			46.2 %	43.9 %	
Demand creation expense	1,017	729	40%		1,935	1,406	38%
Operating overhead expense	2,742	2,538	8%		5,396	4,836	12%
Total selling and administrative expense	3,759	3,267	15%		7,331	6,242	17%
% of revenues	33.1 %	29.1 %			31.1 %	28.6 %	
Interest expense (income), net	55	70	—		112	135	—
Other (income) expense, net	(102)	54	—		(141)	40	—
Income before income taxes	1,501	1,456	3%		3,607	3,171	14%
Income tax expense	164	205	-20%		396	402	-1%
Effective tax rate	10.9 %	14.1 %			11.0 %	12.7 %	
NET INCOME	\$ 1,337	\$ 1,251	7%	\$	3,211	\$ 2,769	16%
Earnings per common share:							
Basic	\$ 0.84	\$ 0.80	5%	\$	2.03	\$ 1.77	15%
Diluted	\$ 0.83	\$ 0.78	6%	\$	1.98	\$ 1.73	14%
Weighted average common shares outstanding:							
Basic	1,582.4	1,573.0			1,582.2	1,567.4	
Diluted	1,617.4	1,609.5			1,618.5	1,601.9	
Dividends declared per common share	\$ 0.305	\$ 0.275		\$	0.580	\$ 0.520	

NIKE, Inc.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(Dollars in millions)</i>	November 30, 2021	November 30, 2020	% Change
ASSETS			
Current assets:			
Cash and equivalents	\$ 10,751	\$ 8,635	25%
Short-term investments	4,352	3,177	37%
Accounts receivable, net	3,746	3,713	1%
Inventories	6,506	6,090	7%
Prepaid expenses and other current assets	1,822	1,992	-9%
Total current assets	27,177	23,607	15%
Property, plant and equipment, net	4,812	4,959	-3%
Operating lease right-of-use assets, net	3,017	3,086	-2%
Identifiable intangible assets, net	265	270	-2%
Goodwill	242	223	9%
Deferred income taxes and other assets	3,404	2,691	26%
TOTAL ASSETS	\$ 38,917	\$ 34,836	12%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ —	\$ —	—
Notes payable	9	41	-78%
Accounts payable	2,795	2,154	30%
Current portion of operating lease liabilities	462	458	1%
Accrued liabilities	5,431	6,030	-10%
Income taxes payable	160	188	-15%
Total current liabilities	8,857	8,871	0%
Long-term debt	9,417	9,410	0%
Operating lease liabilities	2,835	2,896	-2%
Deferred income taxes and other liabilities	2,884	3,019	-4%
Redeemable preferred stock	—	—	—
Shareholders' equity	14,924	10,640	40%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 38,917	\$ 34,836	12%

NIKE, Inc.
DIVISIONAL REVENUES
(Unaudited)

<i>(Dollars in millions)</i>	THREE MONTHS ENDED		%	% Change Excluding Currency Changes ¹	SIX MONTHS ENDED		%	% Change Excluding Currency Changes ¹
	11/30/2021	11/30/2020	Change		11/30/2021	11/30/2020	Change	
North America								
Footwear	\$ 2,852	\$ 2,512	14%	13%	\$ 6,116	\$ 5,469	12%	12%
Apparel	1,480	1,368	8%	8%	2,910	2,493	17%	16%
Equipment	145	126	15%	16%	330	269	23%	23%
Total	4,477	4,006	12%	12%	9,356	8,231	14%	13%
Europe, Middle East & Africa								
Footwear	1,806	1,731	4%	4%	3,789	3,533	7%	4%
Apparel	1,202	1,104	9%	8%	2,361	2,075	14%	11%
Equipment	134	123	9%	7%	299	260	15%	11%
Total	3,142	2,958	6%	6%	6,449	5,868	10%	7%
Greater China								
Footwear	1,235	1,567	-21%	-25%	2,684	2,818	-5%	-11%
Apparel	564	681	-17%	-21%	1,040	1,159	-10%	-16%
Equipment	45	50	-10%	-15%	102	101	1%	-6%
Total	1,844	2,298	-20%	-24%	3,826	4,078	-6%	-13%
Asia Pacific & Latin America								
Footwear	887	991	-10%	-8%	1,909	1,749	9%	9%
Apparel	402	432	-7%	-5%	787	733	7%	8%
Equipment	58	48	21%	22%	116	88	32%	32%
Total	1,347	1,471	-8%	-6%	2,812	2,570	9%	10%
Global Brand Divisions²	6	8	-25%	-5%	13	12	8%	13%
TOTAL NIKE BRAND	10,816	10,741	1%	0%	22,456	20,759	8%	6%
Converse	557	476	17%	16%	1,186	1,039	14%	11%
Corporate ³	(16)	26	—	—	(37)	39	—	—
TOTAL NIKE, INC. REVENUES	\$ 11,357	\$ 11,243	1%	0%	\$ 23,605	\$ 21,837	8%	6%
TOTAL NIKE BRAND								
Footwear	\$ 6,780	\$ 6,801	0%	-1%	\$ 14,498	\$ 13,569	7%	5%
Apparel	3,648	3,585	2%	1%	7,098	6,460	10%	8%
Equipment	382	347	10%	9%	847	718	18%	15%
Global Brand Divisions ²	6	8	-25%	-5%	13	12	8%	13%
TOTAL NIKE BRAND REVENUES	\$ 10,816	\$ 10,741	1%	0%	\$ 22,456	\$ 20,759	8%	6%

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			%	SIX MONTHS ENDED			%
<i>(Dollars in millions)</i>	11/30/2021	11/30/2020		Change	11/30/2021	11/30/2020		Change
North America	\$ 1,235	\$ 1,023		21%	\$ 2,669	\$ 2,325		15%
Europe, Middle East & Africa	806	660		22%	1,681	1,352		24%
Greater China	569	891		-36%	1,270	1,579		-20%
Asia Pacific & Latin America	388	424		-8%	869	704		23%
Global Brand Divisions ²	(1,071)	(841)		-27%	(2,058)	(1,694)		-21%
TOTAL NIKE BRAND¹	1,927	2,157		-11%	4,431	4,266		4%
Converse	132	87		52%	336	255		32%
Corporate ³	(503)	(718)		30%	(1,048)	(1,215)		14%
TOTAL NIKE, INC. EARNINGS BEFORE INTEREST AND TAXES¹	1,556	1,526		2%	3,719	3,306		12%
<i>EBIT margin¹</i>	<i>13.7 %</i>	<i>13.6 %</i>			<i>15.8 %</i>	<i>15.1 %</i>		
Interest expense (income), net	55	70		—	112	135		—
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES	\$ 1,501	\$ 1,456		3%	\$ 3,607	\$ 3,171		14%

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, Total NIKE, Inc. EBIT and EBIT margin 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. EBIT margin is calculated as EBIT divided by total NIKE, Inc. Revenues. References to EBIT and EBIT margin 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.

NIKE, Inc.

RETURN ON INVESTED CAPITAL¹

(Unaudited)

(Dollars in millions)	FOR THE TRAILING FOUR QUARTERS ENDED	
	11/30/2021	5/31/2021
Numerator		
Net income	\$ 6,169	\$ 5,727
Add: Interest expense (income), net	239	262
Add: Income tax expense	928	934
Earnings before interest and taxes	7,336	6,923
Income tax adjustment ²	(958)	(970)
Earnings before interest and after taxes	\$ 6,378	\$ 5,953
	AVERAGE FOR THE TRAILING FIVE QUARTERS ENDED	
	11/30/2021	5/31/2021
Denominator		
Total debt ³	\$ 12,796	\$ 12,890
Add: Shareholders' equity	12,921	10,523
Less: Cash and equivalents and Short-term investments	13,323	11,217
Total invested capital	\$ 12,394	\$ 12,196
RETURN ON INVESTED CAPITAL	51.5 %	48.8 %

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.