

NIKE, Inc.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

<i>(In millions, except per share data)</i>	THREE MONTHS ENDED			%	NINE MONTHS ENDED			%
	2/28/2022	2/28/2021	Change		2/28/2022	2/28/2021	Change	
Revenues	\$ 10,871	\$ 10,357	5%		\$ 34,476	\$ 32,194	7%	
Cost of sales	5,804	5,638	3%		18,500	17,887	3%	
Gross profit	5,067	4,719	7%		15,976	14,307	12%	
Gross margin	46.6 %	45.6 %			46.3 %	44.4 %		
Demand creation expense	854	711	20%		2,789	2,117	32%	
Operating overhead expense	2,584	2,330	11%		7,980	7,166	11%	
Total selling and administrative expense	3,438	3,041	13%		10,769	9,283	16%	
% of revenues	31.6 %	29.4 %			31.2 %	28.8 %		
Interest expense (income), net	53	64	—		165	199	—	
Other (income) expense, net	(94)	(22)	—		(235)	18	—	
Income before income taxes	1,670	1,636	2%		5,277	4,807	10%	
Income tax expense	274	187	47%		670	589	14%	
Effective tax rate	16.4 %	11.4 %			12.7 %	12.3 %		
NET INCOME	\$ 1,396	\$ 1,449	-4%		\$ 4,607	\$ 4,218	9%	
Earnings per common share:								
Basic	\$ 0.88	\$ 0.92	-4%		\$ 2.91	\$ 2.68	9%	
Diluted	\$ 0.87	\$ 0.90	-3%		\$ 2.85	\$ 2.62	9%	
Weighted average common shares outstanding:								
Basic	1,579.0	1,578.0			1,581.1	1,570.9		
Diluted	1,610.7	1,616.9			1,615.8	1,607.3		
Dividends declared per common share	\$ 0.305	\$ 0.275			\$ 0.885	\$ 0.795		

NIKE, Inc.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(Dollars in millions)</i>	February 28, 2022	February 28, 2021	% Change
ASSETS			
Current assets:			
Cash and equivalents	\$ 8,704	\$ 8,516	2%
Short-term investments	4,763	4,012	19%
Accounts receivable, net	3,827	3,669	4%
Inventories	7,700	6,693	15%
Prepaid expenses and other current assets	1,968	1,810	9%
Total current assets	26,962	24,700	9%
Property, plant and equipment, net	4,806	4,958	-3%
Operating lease right-of-use assets, net	2,959	3,149	-6%
Identifiable intangible assets, net	291	271	7%
Goodwill	284	242	17%
Deferred income taxes and other assets	3,275	2,865	14%
TOTAL ASSETS	\$ 38,577	\$ 36,185	7%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ —	\$ —	—
Notes payable	—	4	-100%
Accounts payable	2,770	2,257	23%
Current portion of operating lease liabilities	455	470	-3%
Accrued liabilities	5,391	5,907	-9%
Income taxes payable	202	256	-21%
Total current liabilities	8,818	8,894	-1%
Long-term debt	9,418	9,412	0%
Operating lease liabilities	2,784	2,964	-6%
Deferred income taxes and other liabilities	2,748	2,984	-8%
Redeemable preferred stock	—	—	—
Shareholders' equity	14,809	11,931	24%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 38,577	\$ 36,185	7%

NIKE, Inc.
DIVISIONAL REVENUES
(Unaudited)

	THREE MONTHS ENDED		%	% Change Excluding Currency Changes ¹	NINE MONTHS ENDED		%	% Change Excluding Currency Changes ¹
(Dollars in millions)	2/28/2022	2/28/2021	Change		2/28/2022	2/28/2021	Change	
North America								
Footwear	\$ 2,532	\$ 2,382	6%	6%	\$ 8,648	\$ 7,851	10%	10%
Apparel	1,207	1,087	11%	11%	4,117	3,580	15%	15%
Equipment	143	95	51%	49%	473	364	30%	30%
Total	3,882	3,564	9%	9%	13,238	11,795	12%	12%
Europe, Middle East & Africa								
Footwear	1,569	1,606	-2%	4%	5,358	5,139	4%	4%
Apparel	1,083	898	21%	28%	3,444	2,973	16%	16%
Equipment	127	105	21%	29%	426	365	17%	16%
Total	2,779	2,609	7%	13%	9,228	8,477	9%	9%
Greater China								
Footwear	1,554	1,614	-4%	-6%	4,238	4,432	-4%	-9%
Apparel	548	616	-11%	-13%	1,588	1,775	-11%	-15%
Equipment	58	49	18%	15%	160	150	7%	1%
Total	2,160	2,279	-5%	-8%	5,986	6,357	-6%	-11%
Asia Pacific & Latin America								
Footwear	1,005	903	11%	20%	2,914	2,652	10%	13%
Apparel	394	365	8%	16%	1,181	1,098	8%	10%
Equipment	62	47	32%	44%	178	135	32%	36%
Total	1,461	1,315	11%	19%	4,273	3,885	10%	13%
Global Brand Divisions ²	41	6	583%	561%	54	18	200%	206%
TOTAL NIKE BRAND	10,323	9,773	6%	8%	32,779	30,532	7%	7%
Converse	567	570	-1%	2%	1,753	1,609	9%	8%
Corporate ³	(19)	14	—	—	(56)	53	—	—
TOTAL NIKE, INC. REVENUES	\$ 10,871	\$ 10,357	5%	8%	\$ 34,476	\$ 32,194	7%	7%
TOTAL NIKE BRAND								
Footwear	\$ 6,660	\$ 6,505	2%	5%	\$ 21,158	\$ 20,074	5%	5%
Apparel	3,232	2,966	9%	12%	10,330	9,426	10%	9%
Equipment	390	296	32%	36%	1,237	1,014	22%	21%
Global Brand Divisions ²	41	6	583%	561%	54	18	200%	206%
TOTAL NIKE BRAND REVENUES	\$ 10,323	\$ 9,773	6%	8%	\$ 32,779	\$ 30,532	7%	7%

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>	2/28/2022	2/28/2021	Change		2/28/2022	2/28/2021	Change	
North America	\$ 967	\$ 970	0%		\$ 3,636	\$ 3,295	10%	
Europe, Middle East & Africa	713	533	34%		2,394	1,885	27%	
Greater China	784	973	-19%		2,054	2,552	-20%	
Asia Pacific & Latin America	478	408	17%		1,347	1,112	21%	
Global Brand Divisions ²	(975)	(852)	-14%		(3,033)	(2,546)	-19%	
TOTAL NIKE BRAND¹	1,967	2,032	-3%		6,398	6,298	2%	
Converse	168	150	12%		504	405	24%	
Corporate ³	(412)	(482)	15%		(1,460)	(1,697)	14%	
TOTAL NIKE, INC. EARNINGS BEFORE INTEREST AND TAXES¹	1,723	1,700	1%		5,442	5,006	9%	
<i>EBIT margin¹</i>	<i>15.8 %</i>	<i>16.4 %</i>			<i>15.8 %</i>	<i>15.5 %</i>		
Interest expense (income), net	53	64	—		165	199	—	
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES	\$ 1,670	\$ 1,636	2%		\$ 5,277	\$ 4,807	10%	

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)

FOR THE TRAILING FOUR QUARTERS ENDED

(Dollars in millions)

2/28/2022 5/31/2021

Numerator		
Net income	\$ 6,116	\$ 5,727
Add: Interest expense (income), net	228	262
Add: Income tax expense	1,015	934
Earnings before interest and taxes	7,359	6,923
Income tax adjustment ²	(1,047)	(970)
Earnings before interest and after taxes	\$ 6,312	\$ 5,953

AVERAGE FOR THE TRAILING FIVE QUARTERS ENDED

2/28/2022 5/31/2021

Denominator		
Total debt ³	\$ 12,767	\$ 12,890
Add: Shareholders' equity	13,755	10,523
Less: Cash and equivalents and Short-term investments	13,654	11,217
Total invested capital	\$ 12,868	\$ 12,196

RETURN ON INVESTED CAPITAL	49.1 %	48.8 %
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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.