

NIKE, Inc.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	THREE MONTHS ENDED			%	TWELVE MONTHS ENDED			%
(In millions, except per share data)	5/31/2023	5/31/2022	Change		5/31/2023	5/31/2022	Change	
Revenues	\$ 12,825	\$ 12,234	5%		\$ 51,217	\$ 46,710	10%	
Cost of sales	7,230	6,731	7%		28,925	25,231	15%	
Gross profit	5,595	5,503	2%		22,292	21,479	4%	
Gross margin	43.6 %	45.0 %			43.5 %	46.0 %		
Demand creation expense	1,092	1,061	3%		4,060	3,850	5%	
Operating overhead expense	3,282	2,974	10%		12,317	10,954	12%	
Total selling and administrative expense	4,374	4,035	8%		16,377	14,804	11%	
% of revenues	34.1 %	33.0 %			32.0 %	31.7 %		
Interest expense (income), net	(28)	40	—		(6)	205	—	
Other (income) expense, net	3	54	—		(280)	(181)	—	
Income before income taxes	1,246	1,374	-9%		6,201	6,651	-7%	
Income tax expense (benefit)	215	(65)	431%		1,131	605	87%	
Effective tax rate	17.3 %	(4.7)%			18.2 %	9.1 %		
NET INCOME	\$ 1,031	\$ 1,439	-28%		\$ 5,070	\$ 6,046	-16%	
Earnings per common share:								
Basic	\$ 0.67	\$ 0.91	-26%		\$ 3.27	\$ 3.83	-15%	
Diluted	\$ 0.66	\$ 0.90	-27%		\$ 3.23	\$ 3.75	-14%	
Weighted average common shares outstanding:								
Basic	1,536.5	1,572.0			1,551.6	1,578.8		
Diluted	1,556.3	1,595.0			1,569.8	1,610.8		
Dividends declared per common share	\$ 0.340	\$ 0.305			\$ 1.325	\$ 1.190		

NIKE, Inc.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(Dollars in millions)</i>	May 31, 2023	May 31, 2022	% Change
ASSETS			
Current assets:			
Cash and equivalents	\$ 7,441	\$ 8,574	-13%
Short-term investments	3,234	4,423	-27%
Accounts receivable, net	4,131	4,667	-11%
Inventories	8,454	8,420	0%
Prepaid expenses and other current assets	1,942	2,129	-9%
Total current assets	25,202	28,213	-11%
Property, plant and equipment, net	5,081	4,791	6%
Operating lease right-of-use assets, net	2,923	2,926	0%
Identifiable intangible assets, net	274	286	-4%
Goodwill	281	284	-1%
Deferred income taxes and other assets	3,770	3,821	-1%
TOTAL ASSETS	\$ 37,531	\$ 40,321	-7%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ —	\$ 500	-100%
Notes payable	6	10	-40%
Accounts payable	2,862	3,358	-15%
Current portion of operating lease liabilities	425	420	1%
Accrued liabilities	5,723	6,220	-8%
Income taxes payable	240	222	8%
Total current liabilities	9,256	10,730	-14%
Long-term debt	8,927	8,920	0%
Operating lease liabilities	2,786	2,777	0%
Deferred income taxes and other liabilities	2,558	2,613	-2%
Redeemable preferred stock	—	—	—
Shareholders' equity	14,004	15,281	-8%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 37,531	\$ 40,321	-7%

NIKE, Inc.
DIVISIONAL REVENUES
(Unaudited)

	THREE MONTHS ENDED		%	% Change Excluding Currency Changes ¹	TWELVE MONTHS ENDED		%	% Change Excluding Currency Changes ¹
(Dollars in millions)	5/31/2023	5/31/2022	Change		5/31/2023	5/31/2022	Change	
North America								
Footwear	\$ 3,807	\$ 3,580	6%	7%	\$ 14,897	\$ 12,228	22%	22%
Apparel	1,349	1,375	-2%	-2%	5,947	5,492	8%	9%
Equipment	199	160	24%	24%	764	633	21%	21%
Total	5,355	5,115	5%	5%	21,608	18,353	18%	18%
Europe, Middle East & Africa								
Footwear	2,174	2,030	7%	11%	8,260	7,388	12%	25%
Apparel	1,038	1,083	-4%	0%	4,566	4,527	1%	14%
Equipment	138	138	0%	4%	592	564	5%	18%
Total	3,350	3,251	3%	7%	13,418	12,479	8%	21%
Greater China								
Footwear	1,336	1,178	13%	22%	5,435	5,416	0%	8%
Apparel	438	350	25%	36%	1,666	1,938	-14%	-7%
Equipment	36	33	9%	19%	147	193	-24%	-18%
Total	1,810	1,561	16%	25%	7,248	7,547	-4%	4%
Asia Pacific & Latin America								
Footwear	1,230	1,197	3%	7%	4,543	4,111	11%	19%
Apparel	409	429	-5%	1%	1,664	1,610	3%	13%
Equipment	57	56	2%	8%	224	234	-4%	4%
Total	1,696	1,682	1%	6%	6,431	5,955	8%	17%
Global Brand Divisions ²	14	48	-71%	-72%	58	102	-43%	-43%
TOTAL NIKE BRAND	12,225	11,657	5%	8%	48,763	44,436	10%	16%
Converse	586	593	-1%	1%	2,427	2,346	3%	8%
Corporate ³	14	(16)	—	—	27	(72)	—	—
TOTAL NIKE, INC. REVENUES	\$ 12,825	\$ 12,234	5%	8%	\$ 51,217	\$ 46,710	10%	16%
TOTAL NIKE BRAND								
Footwear	\$ 8,547	\$ 7,985	7%	10%	\$ 33,135	\$ 29,143	14%	20%
Apparel	3,234	3,237	0%	3%	13,843	13,567	2%	8%
Equipment	430	387	11%	14%	1,727	1,624	6%	13%
Global Brand Divisions ²	14	48	-71%	-72%	58	102	-43%	-43%
TOTAL NIKE BRAND REVENUES	\$ 12,225	\$ 11,657	5%	8%	\$ 48,763	\$ 44,436	10%	16%

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.

SUPPLEMENTAL NIKE BRAND REVENUE DETAILS

(Unaudited)

(Dollars in millions)	TWELVE MONTHS ENDED		%	% Change
	5/31/2023	5/31/2022	Change	Excluding Currency Changes ¹
NIKE Brand Revenues by:				
Sales to Wholesale Customers	\$ 27,397	\$ 25,608	7%	14%
Sales through NIKE Direct	21,308	18,726	14%	20%
Global Brand Divisions ²	58	102	-43%	-43%
TOTAL NIKE BRAND REVENUES	\$ 48,763	\$ 44,436	10%	16%
NIKE Brand Revenues on a Wholesale Equivalent Basis:³				
Sales to Wholesale Customers	\$ 27,397	\$ 25,608	7%	14%
Sales from our Wholesale Operations to NIKE Direct Operations	12,730	10,543	21%	27%
TOTAL NIKE BRAND WHOLESALE EQUIVALENT REVENUES	\$ 40,127	\$ 36,151	11%	18%
NIKE Brand Wholesale Equivalent Revenues by:^{3,4}				
Men's	\$ 20,733	\$ 18,797	10%	17%
Women's	8,606	8,273	4%	11%
NIKE Kids'	5,038	4,874	3%	10%
Jordan Brand	6,589	5,122	29%	35%
Others ⁴	(839)	(915)	8%	-3%
TOTAL NIKE BRAND WHOLESALE EQUIVALENT REVENUES	\$ 40,127	\$ 36,151	11%	18%

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 References to NIKE Brand wholesale equivalent revenues, which are considered non-GAAP financial measures, are intended to provide context as to the total size of the Company's NIKE Brand market footprint if it had no NIKE Direct operations. NIKE Brand wholesale equivalent revenues consist of 1) sales to external wholesale customers and 2) internal sales from the Company's wholesale operations to its NIKE Direct operations which are charged at prices comparable to those charged to external wholesale customers. 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.

⁴ Others include products not allocated to Men's, Women's, NIKE Kids' and Jordan Brand, as well as certain adjustments that are not allocated to products designated by consumer.

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

	THREE MONTHS ENDED			%	TWELVE MONTHS ENDED			%
<i>(Dollars in millions)</i>	5/31/2023	5/31/2022		Change	5/31/2023	5/31/2022		Change
North America	\$ 1,390	\$ 1,478		-6%	\$ 5,454	\$ 5,114		7%
Europe, Middle East & Africa	781	899		-13%	3,531	3,293		7%
Greater China	529	311		70%	2,283	2,365		-3%
Asia Pacific & Latin America	462	549		-16%	1,932	1,896		2%
Global Brand Divisions ²	(1,268)	(1,229)		-3%	(4,841)	(4,262)		-14%
TOTAL NIKE BRAND¹	1,894	2,008		-6%	8,359	8,406		-1%
Converse	150	165		-9%	676	669		1%
Corporate ³	(826)	(759)		-9%	(2,840)	(2,219)		-28%
TOTAL NIKE, INC. EARNINGS BEFORE INTEREST AND TAXES¹	1,218	1,414		-14%	6,195	6,856		-10%
<i>EBIT margin¹</i>	9.5 %	11.6 %			12.1 %	14.7 %		
Interest expense (income), net	(28)	40		—	(6)	205		—
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES	\$ 1,246	\$ 1,374		-9%	\$ 6,201	\$ 6,651		-7%

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. Management uses these non-GAAP financial measures when evaluating the Company's performance, including when making financial and operating decisions. Additionally, management believes these non-GAAP financial measures provide investors with additional financial information that 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.