NIKE, Inc.
CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In millions, except per share data)	THREE MONTHS ENDED 8/31/2020	8/31/2019	% Change
Revenues	$ 10,594	$ 10,660	-1%
Cost of sales	5,853	5,789	1%
Gross profit	4,741	4,871	-3%
Gross margin	*44.8 %*	*45.7 %*	
Demand creation expense	677	1,018	-33%
Operating overhead expense	2,298	2,310	-1%
Total selling and administrative expense	2,975	3,328	-11%
% of revenues	*28.1 %*	*31.2 %*	
Interest expense (income), net	65	15	—
Other (income) expense, net	(14)	(33)	—
Income before income taxes	1,715	1,561	10%
Income tax expense	197	194	2%
Effective tax rate	*11.5 %*	*12.4 %*	
NET INCOME	**$ 1,518**	**$ 1,367**	**11%**
Earnings per common share:			
Basic	$ 0.97	$ 0.87	11%
Diluted	$ 0.95	$ 0.86	10%
Weighted average common shares outstanding:			
Basic	1,561.8	1,562.4	
Diluted	1,593.3	1,597.5	
Dividends declared per common share	$ 0.245	$ 0.22	

NIKE, Inc.

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Dollars in millions)	August 31, 2020	August 31, 2019	% Change
ASSETS			
Current assets:			
Cash and equivalents	$ 8,148	$ 3,446	136%
Short-term investments	1,332	198	573%
Accounts receivable, net	3,813	4,656	-18%
Inventories	6,705	5,835	15%
Prepaid expenses and other current assets	1,939	2,093	-7%
Total current assets	21,937	16,228	35%
Property, plant and equipment, net	4,969	4,615	8%
Operating lease right-of-use assets, net	3,158	2,832	12%
Identifiable intangible assets, net	272	279	-3%
Goodwill	223	224	0%
Deferred income taxes and other assets	2,699	2,071	30%
TOTAL ASSETS	**$ 33,258**	**$ 26,249**	**27%**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	$ 1	$ 6	-83%
Notes payable	137	250	-45%
Accounts payable	1,983	2,716	-27%
Current portion of operating lease liabilities	459	427	7%
Accrued liabilities	5,742	4,455	29%
Income taxes payable	297	216	38%
Total current liabilities	8,619	8,070	7%
Long-term debt	9,408	3,463	172%
Operating lease liabilities	2,961	2,675	11%
Deferred income taxes and other liabilities	3,046	2,841	7%
Redeemable preferred stock	—	—	—
Shareholders' equity	9,224	9,200	0%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 33,258**	**$ 26,249**	**27%**

NIKE, Inc.
DIVISIONAL REVENUES
(Unaudited)

(Dollars in millions)	THREE MONTHS ENDED 8/31/2020	8/31/2019	% Change	% Change Excluding Currency Changes[1]
North America				
Footwear	$ 2,957	$ 2,669	11%	11%
Apparel	1,125	1,431	-21%	-21%
Equipment	143	193	-26%	-26%
Total	4,225	4,293	-2%	-1%
Europe, Middle East & Africa				
Footwear	1,802	1,758	3%	2%
Apparel	971	869	12%	11%
Equipment	137	146	-6%	-6%
Total	2,910	2,773	5%	5%
Greater China				
Footwear	1,251	1,164	7%	10%
Apparel	478	465	3%	5%
Equipment	51	50	2%	3%
Total	1,780	1,679	6%	8%
Asia Pacific & Latin America				
Footwear	758	930	-18%	-12%
Apparel	301	356	-15%	-10%
Equipment	40	59	-32%	-28%
Total	1,099	1,345	-18%	-12%
Global Brand Divisions[2]	4	6	-33%	-31%
TOTAL NIKE BRAND	**10,018**	**10,096**	**-1%**	**0%**
Converse	563	555	1%	2%
Corporate[3]	13	9	—	—
TOTAL NIKE, INC. REVENUES	**$ 10,594**	**$ 10,660**	**-1%**	**0%**
TOTAL NIKE BRAND				
Footwear	$ 6,768	$ 6,521	4%	5%
Apparel	2,875	3,121	-8%	-7%
Equipment	371	448	-17%	-16%
Global Brand Divisions[2]	4	6	-33%	-31%
TOTAL NIKE BRAND REVENUES	**$ 10,018**	**$ 10,096**	**-1%**	**0%**

[1] The percent change has been calculated using actual exchange rates in use during the comparative prior year period 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.

[2] Global Brand Divisions revenues are primarily attributable to NIKE Brand licensing businesses that are not part of a geographic operating segment.

[3] Corporate revenues consist primarily 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 TAXES[1]

(Unaudited)

(Dollars in millions)	THREE MONTHS ENDED 8/31/2020	8/31/2019	% Change
North America	$ 1,302	$ 1,100	18%
Europe, Middle East & Africa	692	609	14%
Greater China	688	669	3%
Asia Pacific & Latin America	280	341	-18%
Global Brand Divisions[2]	(853)	(857)	0%
TOTAL NIKE BRAND[1]	**2,109**	**1,862**	**13%**
Converse	168	138	22%
Corporate[3]	(497)	(424)	-17%
TOTAL NIKE, INC. EARNINGS BEFORE INTEREST AND TAXES[1]	**1,780**	**1,576**	**13%**
Interest expense (income), net	65	15	—
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES	**$ 1,715**	**$ 1,561**	**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 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, operating overhead and product creation and design expenses that are centrally managed for the NIKE Brand. Revenues for Global Brand Divisions are primarily attributable to NIKE Brand licensing businesses 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 months ended August 31, 2020, Corporate included non-recurring employee termination and related costs associated with the previously announced leadership and operating model changes.

NIKE, Inc.
RETURN ON INVESTED CAPITAL[1]

(Unaudited)

(Dollars in millions)	FOR THE TRAILING FOUR QUARTERS ENDED 8/31/2020	5/31/2020
Numerator		
Net income	$ 2,690	$ 2,539
Add: Interest expense (income), net	139	89
Add: Income tax expense	351	348
Earnings before interest and taxes	3,180	2,976
Income tax adjustment[2]	(362)	(352)
Earnings before interest and after taxes	$ 2,818	$ 2,624

	AVERAGE FOR THE TRAILING FIVE QUARTERS ENDED 8/31/2020	5/31/2020
Denominator		
Total debt[3,4]	$ 9,276	$ 8,022
Add: Shareholders' equity	8,975	8,938
Less: Cash and equivalents and Short-term investments	5,719	4,756
Total invested capital	$ 12,532	$ 12,204

RETURN ON INVESTED CAPITAL	**22.5 %**	**21.5 %**

[1] 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.