

**NIKE, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited)

| <i>(In millions, except per share data)</i> | THREE MONTHS ENDED |                 |            | SIX MONTHS ENDED |                 |            |
|---|--------------------|-----------------|------------|------------------|-----------------|------------|
|   | 11/30/2020         | 11/30/2019      | %          | 11/30/2020       | 11/30/2019      | %          |
|   |                    |                 | Change     |                  |                 | Change     |
| Revenues                                    | \$ 11,243          | \$ 10,326       | 9%         | \$ 21,837        | \$ 20,986       | 4%         |
| Cost of sales                               | 6,396              | 5,782           | 11%        | 12,249           | 11,571          | 6%         |
| Gross profit                                | 4,847              | 4,544           | 7%         | 9,588            | 9,415           | 2%         |
| <i>Gross margin</i>                         | 43.1 %             | 44.0 %          |            | 43.9 %           | 44.9 %          |            |
| Demand creation expense                     | 729                | 881             | -17%       | 1,406            | 1,899           | -26%       |
| Operating overhead expense                  | 2,538              | 2,443           | 4%         | 4,836            | 4,753           | 2%         |
| Total selling and administrative expense    | 3,267              | 3,324           | -2%        | 6,242            | 6,652           | -6%        |
| <i>% of revenues</i>                        | 29.1 %             | 32.2 %          |            | 28.6 %           | 31.7 %          |            |
| Interest expense (income), net              | 70                 | 12              | —          | 135              | 27              | —          |
| Other (income) expense, net                 | 54                 | (41)            | —          | 40               | (74)            | —          |
| Income before income taxes                  | 1,456              | 1,249           | 17%        | 3,171            | 2,810           | 13%        |
| Income tax expense                          | 205                | 134             | 53%        | 402              | 328             | 23%        |
| <i>Effective tax rate</i>                   | 14.1 %             | 10.7 %          |            | 12.7 %           | 11.7 %          |            |
| <b>NET INCOME</b>                           | <b>\$ 1,251</b>    | <b>\$ 1,115</b> | <b>12%</b> | <b>\$ 2,769</b>  | <b>\$ 2,482</b> | <b>12%</b> |
| Earnings per common share:                  |                    |                 |            |                  |                 |            |
| Basic                                       | \$ 0.80            | \$ 0.71         | 13%        | \$ 1.77          | \$ 1.59         | 11%        |
| Diluted                                     | \$ 0.78            | \$ 0.70         | 11%        | \$ 1.73          | \$ 1.56         | 11%        |
| Weighted average common shares outstanding: |                    |                 |            |                  |                 |            |
| Basic                                       | 1,573.0            | 1,560.6         |            | 1,567.4          | 1,561.5         |            |
| Diluted                                     | 1,609.5            | 1,594.4         |            | 1,601.9          | 1,596.0         |            |
| Dividends declared per common share         | \$ 0.275           | \$ 0.245        |            | \$ 0.520         | \$ 0.465        |            |

**NIKE, Inc.**  
**CONSOLIDATED BALANCE SHEETS**  
*(Unaudited)*

| <i>(Dollars in millions)</i>                      | November 30,<br>2020 | November 30,<br>2019 | % Change   |
|---|----------------------|----------------------|------------|
| <b>ASSETS</b>                                     |                      |                      |            |
| Current assets:                                   |                      |                      |            |
| Cash and equivalents                              | \$ 8,635             | \$ 3,070             | 181%       |
| Short-term investments                            | 3,177                | 432                  | 635%       |
| Accounts receivable, net                          | 3,713                | 4,792                | -23%       |
| Inventories                                       | 6,090                | 6,199                | -2%        |
| Prepaid expenses and other current assets         | 1,992                | 1,876                | 6%         |
| Total current assets                              | 23,607               | 16,369               | 44%        |
| Property, plant and equipment, net                | 4,959                | 4,668                | 6%         |
| Operating lease right-of-use assets, net          | 3,086                | 2,882                | 7%         |
| Identifiable intangible assets, net               | 270                  | 277                  | -3%        |
| Goodwill  | 223                  | 224                  | 0%         |
| Deferred income taxes and other assets            | 2,691                | 2,182                | 23%        |
| <b>TOTAL ASSETS</b>                               | <b>\$ 34,836</b>     | <b>\$ 26,602</b>     | <b>31%</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |                      |                      |            |
| Current liabilities:                              |                      |                      |            |
| Current portion of long-term debt                 | \$ —                 | \$ 6                 | -100%      |
| Notes payable                                     | 41                   | 300                  | -86%       |
| Accounts payable                                  | 2,154                | 2,627                | -18%       |
| Current portion of operating lease liabilities    | 458                  | 431                  | 6%         |
| Accrued liabilities                               | 6,030                | 4,672                | 29%        |
| Income taxes payable                              | 188                  | 228                  | -18%       |
| Total current liabilities                         | 8,871                | 8,264                | 7%         |
| Long-term debt                                    | 9,410                | 3,462                | 172%       |
| Operating lease liabilities                       | 2,896                | 2,723                | 6%         |
| Deferred income taxes and other liabilities       | 3,019                | 2,802                | 8%         |
| Redeemable preferred stock                        | —                    | —                    | —          |
| Shareholders' equity                              | 10,640               | 9,351                | 14%        |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>\$ 34,836</b>     | <b>\$ 26,602</b>     | <b>31%</b> |

# NIKE, Inc.

## DIVISIONAL REVENUES

(Unaudited)

| <i>(Dollars in millions)</i>              | THREE MONTHS ENDED |                  | %         | % Change Excluding Currency Changes <sup>1</sup> | SIX MONTHS ENDED |                  | %         | % Change Excluding Currency Changes <sup>1</sup> |
|---|--------------------|------------------|-----------|--|------------------|------------------|-----------|--|
|   | 11/30/2020         | 11/30/2019       | Change    |  | 11/30/2020       | 11/30/2019       | Change    |  |
| <b>North America</b>                      |                    |                  |           |  |                  |                  |           |  |
| Footwear                                  | \$ 2,512           | \$ 2,426         | 4%        | 4%   | \$ 5,469         | \$ 5,095         | 7%        | 7%   |
| Apparel                                   | 1,368              | 1,417            | -3%       | -3%  | 2,493            | 2,848            | -12%      | -12%   |
| Equipment                                 | 126                | 139              | -9%       | -10%   | 269              | 332              | -19%      | -19%   |
| Total                                     | 4,006              | 3,982            | 1%        | 1%   | 8,231            | 8,275            | -1%       | 0%   |
| <b>Europe, Middle East &amp; Africa</b>   |                    |                  |           |  |                  |                  |           |  |
| Footwear                                  | 1,731              | 1,536            | 13%       | 8%   | 3,533            | 3,294            | 7%        | 5%   |
| Apparel                                   | 1,104              | 897              | 23%       | 18%  | 2,075            | 1,766            | 17%       | 15%  |
| Equipment                                 | 123                | 104              | 18%       | 16%  | 260              | 250              | 4%        | 3%   |
| Total                                     | 2,958              | 2,537            | 17%       | 12%  | 5,868            | 5,310            | 11%       | 8%   |
| <b>Greater China</b>                      |                    |                  |           |  |                  |                  |           |  |
| Footwear                                  | 1,567              | 1,247            | 26%       | 20%  | 2,818            | 2,411            | 17%       | 15%  |
| Apparel                                   | 681                | 563              | 21%       | 16%  | 1,159            | 1,028            | 13%       | 11%  |
| Equipment                                 | 50                 | 37               | 35%       | 29%  | 101              | 87               | 16%       | 14%  |
| Total                                     | 2,298              | 1,847            | 24%       | 19%  | 4,078            | 3,526            | 16%       | 14%  |
| <b>Asia Pacific &amp; Latin America</b>   |                    |                  |           |  |                  |                  |           |  |
| Footwear                                  | 991                | 997              | -1%       | 5%   | 1,749            | 1,927            | -9%       | -3%  |
| Apparel                                   | 432                | 410              | 5%        | 9%   | 733              | 766              | -4%       | 0%   |
| Equipment                                 | 48                 | 61               | -21%      | -17%   | 88               | 120              | -27%      | -22%   |
| Total                                     | 1,471              | 1,468            | 0%        | 5%   | 2,570            | 2,813            | -9%       | -3%  |
| <b>Global Brand Divisions<sup>2</sup></b> | 8                  | 10               | -20%      | -20%   | 12               | 16               | -25%      | -25%   |
| <b>TOTAL NIKE BRAND</b>                   | <b>10,741</b>      | <b>9,844</b>     | <b>9%</b> | <b>8%</b>  | <b>20,759</b>    | <b>19,940</b>    | <b>4%</b> | <b>4%</b>  |
| Converse                                  | 476                | 480              | -1%       | -4%  | 1,039            | 1,035            | 0%        | -1%  |
| Corporate <sup>3</sup>                    | 26                 | 2                | —         | —  | 39               | 11               | —         | —  |
| <b>TOTAL NIKE, INC. REVENUES</b>          | <b>\$ 11,243</b>   | <b>\$ 10,326</b> | <b>9%</b> | <b>7%</b>  | <b>\$ 21,837</b> | <b>\$ 20,986</b> | <b>4%</b> | <b>4%</b>  |
| <b>TOTAL NIKE BRAND</b>                   |                    |                  |           |  |                  |                  |           |  |
| Footwear                                  | \$ 6,801           | \$ 6,206         | 10%       | 8%   | \$ 13,569        | \$ 12,727        | 7%        | 7%   |
| Apparel                                   | 3,585              | 3,287            | 9%        | 7%   | 6,460            | 6,408            | 1%        | 0%   |
| Equipment                                 | 347                | 341              | 2%        | 1%   | 718              | 789              | -9%       | -9%  |
| Global Brand Divisions <sup>2</sup>       | 8                  | 10               | -20%      | -20%   | 12               | 16               | -25%      | -25%   |
| <b>TOTAL NIKE BRAND REVENUES</b>          | <b>\$ 10,741</b>   | <b>\$ 9,844</b>  | <b>9%</b> | <b>8%</b>  | <b>\$ 20,759</b> | <b>\$ 19,940</b> | <b>4%</b> | <b>4%</b>  |

<sup>1</sup> 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.

<sup>2</sup> Global Brand Divisions revenues include NIKE Brand licensing revenues as well as other miscellaneous revenues that are not part of a geographic operating segment.

<sup>3</sup> 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<sup>1</sup>**  
*(Unaudited)*

| <i>(Dollars in millions)</i>   | THREE MONTHS ENDED |                 |            | SIX MONTHS ENDED |                 |            |
|--|--------------------|-----------------|------------|------------------|-----------------|------------|
|  | 11/30/2020         | 11/30/2019      | %          | 11/30/2020       | 11/30/2019      | %          |
|  |                    |                 | Change     |                  |                 | Change     |
| North America  | \$ 1,023           | \$ 875          | 17%        | \$ 2,325         | \$ 1,975        | 18%        |
| Europe, Middle East & Africa   | 660                | 510             | 29%        | 1,352            | 1,119           | 21%        |
| Greater China  | 891                | 694             | 28%        | 1,579            | 1,363           | 16%        |
| Asia Pacific & Latin America   | 424                | 377             | 12%        | 704              | 718             | -2%        |
| Global Brand Divisions <sup>2</sup>                                    | (841)              | (872)           | 4%         | (1,694)          | (1,729)         | 2%         |
| <b>TOTAL NIKE BRAND<sup>1</sup></b>                                    | <b>2,157</b>       | <b>1,584</b>    | <b>36%</b> | <b>4,266</b>     | <b>3,446</b>    | <b>24%</b> |
| Converse   | 87                 | 90              | -3%        | 255              | 228             | 12%        |
| Corporate <sup>3</sup>   | (718)              | (413)           | -74%       | (1,215)          | (837)           | -45%       |
| <b>TOTAL NIKE, INC. EARNINGS BEFORE INTEREST AND TAXES<sup>1</sup></b> | <b>1,526</b>       | <b>1,261</b>    | <b>21%</b> | <b>3,306</b>     | <b>2,837</b>    | <b>17%</b> |
| Interest expense (income), net   | 70                 | 12              | —          | 135              | 27              | —          |
| <b>TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES</b>                     | <b>\$ 1,456</b>    | <b>\$ 1,249</b> | <b>17%</b> | <b>\$ 3,171</b>  | <b>\$ 2,810</b> | <b>13%</b> |

<sup>1</sup> 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.

<sup>2</sup> Global Brand Divisions consists primarily of demand creation, operating overhead and product creation and design expenses that are centrally managed for the NIKE Brand. Global Brand Divisions revenues include NIKE Brand licensing and other miscellaneous revenues that are not part of a geographic operating segment.

<sup>3</sup> 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 six months ended November 30, 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<sup>1</sup>**

(Unaudited)

| (Dollars in millions)                                 | FOR THE TRAILING FOUR<br>QUARTERS ENDED         |               |
|---|---|---------------|
|   | 11/30/2020                                      | 5/31/2020     |
| <b>Numerator</b>                                      |   |               |
| Net income  | \$ 2,826  | \$ 2,539      |
| Add: Interest expense (income), net                   | 197   | 89            |
| Add: Income tax expense                               | 422   | 348           |
| Earnings before interest and taxes                    | 3,445   | 2,976         |
| Income tax adjustment <sup>2</sup>                    | (442)   | (352)         |
| Earnings before interest and after taxes              | \$ 3,003  | \$ 2,624      |
|   |   |               |
|   | AVERAGE FOR THE TRAILING<br>FIVE QUARTERS ENDED |               |
|   | 11/30/2020                                      | 5/31/2020     |
| <b>Denominator</b>                                    |   |               |
| Total debt <sup>3,4</sup>                             | \$ 10,473                                       | \$ 8,022      |
| Add: Shareholders' equity                             | 9,263   | 8,938         |
| Less: Cash and equivalents and Short-term investments | 7,353   | 4,756         |
| Total invested capital                                | \$ 12,383                                       | \$ 12,204     |
|   |   |               |
| <b>RETURN ON INVESTED CAPITAL</b>                     | <b>24.3 %</b>                                   | <b>21.5 %</b> |

<sup>1</sup> 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.

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

<sup>3</sup> 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.

<sup>4</sup> 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.