

PREPARED REMARKS / UNOFFICIAL TRANSCRIPT – Q2FY22 NIKE, Inc.

December 20, 2021

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Operator:

Good afternoon, everyone. Welcome to NIKE, Inc.'s fiscal 2022 second quarter conference call. For those who want to reference today's press release you'll find it at <http://investors.nike.com>. Leading today's call is Paul Trussell, VP of Investor Relations and Strategic Finance. Before I turn the call over to Mr. Trussell, let me remind you that participants on this call will make forward-looking statements based on current expectations and those statements are subject to certain risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties are detailed in the reports filed with the SEC including the annual report filed on Form 10-K.

Some forward-looking statements may concern expectations of future revenue growth or gross margin. In addition, participants may discuss non-GAAP financial measures, including references to constant-dollar revenue. References to constant-dollar revenue are intended to provide context as to the performance of the business eliminating foreign exchange fluctuations. Participants may also make references to other non-public financial and statistical information and non-GAAP financial measures. To the extent non-public financial and statistical information is discussed, presentations of comparable GAAP measures and quantitative reconciliations will be made available at NIKE's website, <http://investors.nike.com>.

Now I would like to turn the call over to Paul Trussell.

Paul Trussell:

Thank you, operator.

Hello everyone and thank you for joining us today to discuss NIKE, Inc.'s fiscal 2022 second quarter results.

As the operator indicated, participants on today's call may discuss non-GAAP financial measures. You will find the appropriate reconciliations in our press release, which was issued about an hour ago, or at our website: investors.nike.com.

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Joining us on today's call will be NIKE, Inc. President and CEO John Donahoe, and our Chief Financial Officer, Matt Friend.

Following their prepared remarks, we will take your questions. We would like to allow as many of you to ask questions as possible in our allotted time. So, we would appreciate you limiting your initial questions to one. Thank you for your cooperation on this.

I'll now turn the call over to NIKE, Inc. President and CEO John Donahoe.

John Donahoe:

Thanks, Paul, and hello and Happy Holidays to everyone on today's call.

Before I get into our quarterly performance, I want to take a moment to acknowledge the recent passing of Virgil Abloh. Since 2016, Virgil has been a beloved member of the Nike, Jordan and Converse family. He was a brilliant creative force who shared a passion for challenging the status quo and pushing forward a new vision, while inspiring multiple generations along the way. But what stood out to me personally about Virgil, was his humility and humanity. We offer our condolences to the many who shared a connection with Virgil. He will be missed greatly.

As we look at Q2, the creativity and resilience of our entire NIKE, Inc. team helped deliver another strong quarter. The results we delivered offer continued proof that our strategy is working, even as we execute through global macroeconomic constraints.

Whenever there's turbulence, I always go back to the fundamentals. For Nike, that means putting the consumer at the center and leveraging our long-term competitive advantages...which include

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- A culture deeply rooted in innovation
- A brand that deeply connects with consumers, fueled by compelling storytelling, and
- An unmatched sports marketing portfolio

And we believe a fourth emerging competitive advantage for us is Digital, as we are one of the few brands that can directly connect with and serve consumers at scale.

We also continue to benefit from structural tailwinds that have accelerated during the pandemic that reflect

- a larger movement of health and fitness that is taking place around the world,
- consumers' desire to wear athletic footwear and apparel in all moments of their lives, and an
- expanding definition of sport,

And last, the fundamental shift in consumer behavior toward digital plays to our increasing digital advantage.

As I've said before, challenges create opportunity for strong brands to get stronger. That's what's happening here. And we are now in a much stronger competitive position today than we were 18 months ago. And that trend continues.

We are seeing this strength come to life this holiday season. Our brands' deep connection with the consumer is driving strong holiday sales, most notably with North

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America Digital leading the industry over Black Friday week, with close to 40 percent growth.

And our Singles Day performance showcased our brand strength in greater china as we added 13 million new members, and Nike was again the number one sport brand on TMall.

More broadly, this holiday season has shown the power of our digital transformation across the globe. Digital is the engine driving our Consumer Direct Acceleration strategy.

Now Q2 was another incredible quarter for sport led by our deep roster of athletes and teams. Let me just touch on a few of the highlights.

Following the exciting end of the WNBA and MLB seasons, the energy around sport continues with the NBA, NFL, European soccer and upcoming college football bowl season, where 16 of the top 20 teams and three out of the four Playoff participants are Nike teams. When these leagues are as exciting as they are today, our business benefits.

Nike athletes continue to lead the way across the sports landscape, highlighted by Barcelona captain Alexia Putellas, who won the Ballon d'Or as the best female footballer in 2021. We were also thrilled to see Marcus Rashford receive his MBE from Prince William last month, an honor very well deserved for his work to support vulnerable children during the pandemic. And congratulations to Cristiano Ronaldo for reaching yet another remarkable milestone by becoming the first player in recorded history to score 800 career goals in official matches.

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And I also have to give a special shout-out to Shalane Flanagan who was wearing the Nike Air Zoom Alphafly Next%, when she completed the six World Marathon Majors in six weeks...running each of them in under two hours and forty-seven minutes. This achievement offers all of us a reminder of the joy and unrelenting spirit of sport.

As we deliver against our Consumer Direct Acceleration Strategy, we continue to drive separation as the most innovative sports brand by delivering a constant pipeline of new products that sets the standard. What's more, we're aligning against our key growth drivers of Women's, Jordan and Apparel, as well as to our commitments to sustainability.

In Women's, we launched a brand-new shoe designed specifically for dancers... The Nike Air Sesh, was designed by Tinker Hatfield, in collaboration with professional dancers and choreographers prioritizes both style and performance with a mid-cut leather upper and Cushion foam under the foot. We launched the Air Sesh for Nike members first, with a wider release to take place soon.

This new product comes as we welcome some of the world's best athletes to our global roster, including dance choreographer Parris Goebel and fitness athlete Tunde Oyenehin. As we continue to accelerate our strategy and fuel the expanded definition of sport, we are able to more deeply connect with women and create an even sharper focus.

And this quarter also saw the debut collection from the Serena Williams Design Crew, our apprenticeship program that advances diversity in design. The Crew connects innovation, design and purpose in a uniquely powerful way, fueled by our commitment to the full spectrum of sport for women, across performance and lifestyle. Serena joined

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us on campus a few months back to help open the Serena Williams Building at our World Headquarters. Along with our LeBron James Innovation Center, these two buildings represent the most remarkable investment in sport innovation in the world.

We were also thrilled to see the Jordan Brand launch the AJ36. The AJ36 is NIKE Inc.'s first shoe using leno-weave, a process that creates material that is uniquely strong, lightweight and adaptable to all foot shapes ... making the AJ36 one of the lightest Air Jordans ever. Consumers can expect to see us iterate on this innovation in future seasons.

In Apparel, we're driving energy in the market through design that resonates with consumers. The latest NBA City Edition and MLB City Connect uniforms are great examples as we grow the culture of the sport by listening to local team communities and using thoughtful design to celebrate the game.

We also launched FIT ADV, the next generation of performance apparel that combines weather-ready tech and innovative design to help athletes take on extreme conditions. This represents the pinnacle of Nike apparel innovation and is currently in Nike's performance apparel collections. And next year, it will be available in Nike lifestyle products across all platforms.

And finally in sustainability, we launched Alphafly Next Nature, our most sustainable performance shoe and our first sustainable performance running shoe. This continues the progress made by our Cosmic Unity sustainable basketball shoe by reaching more than 50 percent total recycled content by weight. Learnings from the Alphafly Next Nature will be scaled across our running line, creating higher-performing

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products with more sustainable materials. We know the future of sport depends on a healthy planet, and we remain committed to doing our part to protect that future.

As we connect consumers with the strongest innovation, athlete roster and brand storytelling in the world, we are also elevating their experience through One Nike Marketplace. We are creating the marketplace of the future, where we serve consumers with seamless, consistent, and premium experiences.

Through Nike membership, we increasingly know and serve our consumer across a connected marketplace. I'll highlight three examples from this quarter of how Nike is driving a more elevated and premium member experience across the marketplace:

First, we recently launched new wellness content and workouts featuring Megan Thee Stallion in our Nike Training Club app. Megan's content drove record high engagement, drawing a 2x increase in daily active users in NTC, and her curated looks saw more than double the demand, compared to any other product content viewed during the same time period.

Second, ahead of Singles Day in Greater China, we activated a new member experience on TMall and improved the onboarding journey. As a result, the Nike Flagship store on TMall was the number one brand for new member recruitment across sport, driving a 20 point increase in member demand penetration this year.

And third...just last month, we announced a partnership with one of our strategic retail partners, Dick's Sporting Goods, who shares our vision for the future of retail - specifically, shopping and experiences that are amplified by digital and personal to each.

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consumer's journey. This new partnership allows shoppers to link their Nike member account and their DSG account together to unlock exclusive offers, products and experiences._

And recently, I had an opportunity to visit one of DSG's newest concepts, the House of Sport door in Rochester, NY. I must say I was blown away at the store's unique service model, interactive sport experience and enhanced showcasing of product, which creates a true destination for consumers and will alter future expectations at retail.

Our partnership with DSG is a new model for how brands and retailers work together – delivering product, experience, and connection service to delight consumers at scale.

We are fulfilling our vision, that through connected member experiences and inventory, powered by connected data and technology, we can provide consumers with greater access to the very best of Nike with more speed, convenience and connection to our brand and sport than ever before.

As we look forward there is even more opportunity to connect consumers with Nike across digital platforms that integrate sport, innovation, culture, and commerce.

For example, we recently opened a new space in our NY digital studio to produce the weekly SNKRS livestreams that are driving industry leading engagement metrics. Weekly content includes launch previews in our SNKRS LIVE Heating Up show, and a new Jordan franchise presented through the lens of female Jordan fans, called J-Walking. Our stories go deep and engage a two-way interaction with the community. As a result, consumer engagement is 3x the industry average for livestreams.

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Speaking of SNKRS and Jordan, the first set of invitations for the AJ11 Cool Grey was sent to the largest female-focused group yet and sold out in the first hour. The group was selected utilizing our new Dedication Score... designed to reward member groups with high product affinity. We continue to see Exclusive Access serve as a defining marketing mechanism to connect with consumers.

In Q2, we also launched the 3D immersive world of NIKELAND on Roblox. Nike is meeting young athletes* wherever they are, encouraging them to let their imaginations run wild, and rewarding real-world movement through new virtual experiences.

And just last week, we welcomed RTFKT to the NIKE Inc. family. The Nike, Jordan and Converse brands have always thrived at the intersection of sport, creativity, innovation and culture. The RTFKT acquisition allows us to extend this reach to serve and delight consumers and creators in both the physical and virtual worlds. We will invest in the very talented RTFKT team, creator community and cutting-edge innovation to deliver next generation experiences that involve the RTFKT and NIKE Inc. brands.

Today, we are stronger than we were before the pandemic, and I couldn't be more excited by the opportunity ahead of us. Our results this quarter are evidence that our strategy is working.

As we close out 2021, I want to take a moment to personally thank our 75,000 global NIKE, Inc. teammates for everything they've done this year. Through all we've navigated, this team has worked together ... with creativity and resilience ... to serve our consumers and communities. This team is the greatest collection of talent in the world, and I want to sincerely thank them.

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With that, I'll turn it over to Matt.

Matt Friend:

Thank you John. Hello and happy holidays to everyone on the call.

As you've heard us say before, Nike is a growth company with boundless potential. And our Consumer Direct Acceleration strategy is transforming our operating model by driving deeper and more direct connections with consumers through digital.

Our teams continue to navigate through unprecedented levels of volatility with flexibility, agility and grace...leveraging the operational playbook we created at the onset of the pandemic to stay focused on what matters most. We have embraced new ways of working, elevated experienced players into new leadership roles, re-organized the company to create even deeper focus on the consumer, and developed new capabilities to serve consumers directly with speed and at scale.

Nike's second quarter financial results were in line with the expectations we established 90 days ago, fueled by continued Brand momentum, the strength of our product franchises with extraordinary levels of full price realization, and strong season-to-date Holiday sales, offset by lower levels of available inventory supply relative to marketplace demand.

As John mentioned, we had an incredible Black Friday week with Nike Direct in North

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America and EMEA, increasing over 20 percent versus the prior year, on top of last year's meaningful gains.

To accomplish this, I'm particularly proud of the work by our supply chain teams. In late October, I was able to visit our North America distribution centers in Pennsylvania, Tennessee and Mississippi, to review our expanding digital fulfillment capabilities and holiday readiness plans. Our teams are executing those plans with precision... optimizing available inventory to meet demand with improved service levels and lowering carbon impact, all enabled through technology and automation.

Staying on the topic of supply chain a little longer...

Factory re-opening in Vietnam is on plan. Nearly all impacted factories began re-opening in October. As of today, all factories are operational and employee attendance rates have improved, with weekly footwear and apparel production now at roughly 80 percent of pre-closure volumes. In total, Vietnam factory closures caused us to cancel production of roughly 130 million units...due to three months of lost production volume and several months to ramp back to full production. Compared to ninety days ago, we are increasingly confident supply will normalize heading into Fiscal 23.

Turning to our digital business...

Nike's digital growth is outperforming comparisons and being fueled by our member-centric focus. Nike Digital grew 11% in the quarter, on a currency neutral basis, setting_

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the pace for the industry. Nike Digital is now 25% of total NIKE Brand revenue, up three points versus the prior year and more than double the digital mix in Fiscal 19.

Enhanced onboarding experiences are attracting millions of new members into the top of the funnel, and we are focused heavily on member engagement and buying. Member engagement grew 27 percent, and repeat buyers grew 50 percent versus last year, driving overall higher AUR, AOV and member buying frequency. 40% of total digital demand this year is coming from our mobile apps, highlighting the strength of our digital platform.

We now have over 79 million engaged members across our Nike ecosystem. And as Nike's digital ecosystem continues to grow, we are beginning to see the compounding benefits of scale – from brand awareness and consumer connection, to data informed personalization and inventory utilization, to loyalty.

This quarter, we held our first globally coordinated Member Days event, setting records in member engagement. From member exclusive product offerings, to our first livestreamed member events from our Nike Town London and Passeig de Gràcia Store in Barcelona, we created a distinct member experience and set a record for weekly active users on the Nike App in North America.

Now moving to one final topic. Connecting with today's consumer means serving them with the product they want...when and where they want it. Consumers want a premium, seamless and personalized experience, with minimal friction across their journey to

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explore, engage, connect and purchase products from the Brands they love.

As we've discussed before, Nike is focused on creating One Nike Marketplace that elevates the Brand by creating direct consumer connections through fewer, more impactful wholesale partners, with a connected mobile digital experience at the center built for the Nike member.

Over the past four years, North America has reduced the number of wholesale accounts by roughly 50 percent, while delivering strong growth and recapturing consumer demand through Nike Direct and our strategic wholesale partners... leading the way for Nike.

In the second quarter, North America Digital grew 40% versus the prior year, pushing Nike Digital to 30 percent of total North America marketplace, bringing Nike Direct to 48 percent of total.

In order to enable this growth and drive the shift in marketplace composition, we have accelerated investment to evolve our distribution network and scale a digital first supply chain, leveraging advanced analytics, automation and technology. We have opened two new regional service centers on both coasts, which are able to deliver more units to consumers with shorter delivery times. We also enabled ship from store capabilities across our store fleet, all leveraging advanced analytics from our Celect acquisition. On automation, we have added more than one thousand robots in our distribution centers to handle the digital growth. In our digital distribution center in Memphis, robots handled more than 10 million units that would have otherwise required manual labor

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We continue to scale O2O consumer services across our store fleet, including buy online, pick up in store, and digital order returns in store. Volumes are relatively small today, but we have significant opportunity to scale. We have also established new fulfillment models with key strategic partners to create inventory visibility across the marketplace and optimize full price digital demand. When we do this right, the consumer wins.

The progress being made to create One Nike Marketplace has accelerated North America's revenue growth and gross margin expansion for yet another quarter, illustrating how Consumer Direct Acceleration will fuel Nike's growth and profitability towards the Fiscal 25 outlook we shared in June.

Now let me turn to the details of our second quarter financial results and operating segment performance.

NIKE, Inc. Revenue grew 1 percent, and was Flat on a currency neutral basis, led by 8 percent growth in Nike Direct offset by a 6 percent decline in Wholesale, due to optimization of available inventory supply. Nike Digital grew 11 percent and Nike-owned stores grew 4 percent with significant improvements in traffic and higher conversion rates.

Gross Margin increased 280 basis points versus the prior year, driven primarily by

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higher Nike Direct margins due to lower markdowns, higher full price mix and foreign currency exchange rates, partially offset by increased freight and logistics costs.

SG&A grew 15 percent versus the prior year primarily due to normalization of spend against brand campaigns, digital marketing investments to support heightened digital demand, strategic technology investments and wage related expenses.

Our Effective Tax Rate for the quarter was 10.9 percent compared to 14.1 percent for the same period last year. This was due to a shift in our earnings mix and the effects of stock-based compensation.

Second quarter Diluted Earnings Per Share was \$0.83, up 6 percent versus the prior year.

Before we move into operating segment results, I want to recall a few points I made last quarter regarding the impact of Vietnam factory closures on the short-term performance of each of our geographies, beginning in the second quarter.

North America and EMEA finished the first quarter with high levels of in transit inventory, resulting in prior season supply that was arriving late due to longer transit times, which could be sold in the second quarter. We saw that in our Q2 results.

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However, Greater China and APLA, located closer to our sourcing base with shorter standard transit times, experienced a decline in units sold in the second quarter due to lost production and lower available inventory supply. We also saw that reflected in our Q2 results.

With that in mind, let's review the operating segments....

In North America, Q2 revenue grew 12 percent and EBIT grew 21 percent. Demand for Nike remained incredibly strong, with season-to-date Holiday retail sales across the total market growing double-digits, energized by the continued momentum from the return to sport and the beginning of an outstanding holiday season.

Performance sport dimensions delivered strong double digit retail sales growth, led by Running, Fitness, and Basketball, on lower levels of sell-in due to available inventory supply. Womens Retail Sales grew high double digits, more than twice the rate of men's, with strong growth across both footwear and apparel.

Nike Direct had an outstanding quarter, growing 30 percent versus the prior year. As I mentioned earlier, Digital maintained its momentum, growing 40 percent, and setting holiday records on Black Friday week. Nike-owned Stores also delivered strong double digit growth, with traffic trending towards pre-pandemic levels, and strong increases in AUR due to lower closeout inventory levels, and significant year-over-year improvements in markdown rates and promotions. Despite strong retail sales

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momentum in the wholesale channel, revenue declined 1 percent as marketplace inventory levels remain lean, and Vietnam factory closures and longer transit times disrupt the flow of inventory supply to meet marketplace demand.

In EMEA, Q2 revenue grew 6 percent on a currency neutral basis and EBIT grew 22 percent on a reported basis. Season-to-date holiday Retail sales across the total market grew double digits, with strong growth across all consumer segments.

The region was energized by the start of the global football season and the Champions league tournament across the continent. Nike players continue to dominate on the pitch with the Mercurial boot being the lead scorer in a number of European professional leagues. We saw a strong consumer response for the Mercurial boot and launch of the Champions League 3rd kit.

Wholesale revenue grew 6 percent on a currency neutral basis as we comp prior year market closures. Nike Direct also grew 6 percent, led by double digit growth in Nike-owned stores as we comp prior year store closures, with traffic improvement due to tourism picking up and back to school holidays. Nike Digital was down 1 percent, as we compare to extraordinary levels of off price sales in the prior year, as the Geography leveraged digital in the prior year to liquidate excess inventory. This quarter, our full price Digital business grew over 20 percent, resulting in a 30 point improvement in full prices sales mix, double-digit growth in AUR and improvement in markdown rates and promotions. This contributed to strong year-over-year expansion in gross margin and return on sales profitability.

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In Greater China, Q2 revenue declined 24 percent on a currency neutral basis and EBIT declined 36 percent on a reported basis, however, season-to-date holiday retail sales across the total market have trended more favorably.

Results for this quarter were as expected, as we navigated lower full price product supply due to the Vietnam factory closures. We saw disproportionate impacts to our wholesale revenue, which declined 27 percent on a currency neutral basis.

Nike Direct declined 21 percent with declines in both digital and physical retail channels. COVID-related lockdowns continue to drive volatility in retail traffic, however, we did see traffic recover to pre-pandemic levels at times throughout the quarter. Digital declined 27 percent, partially impacted by delay in product launch timing on SNKRS. Over the 11.11 consumer moment, we drove stronger digital performance with significant member acquisition, and higher AOV through better engagement with consumers.

While challenging, we continue to leverage our operational playbook and remain optimistic about the longer term in Greater China.

This quarter, we extended our Joy of Sport brand campaign, utilizing local influencers, Olympians, and other athletes that are part of Nike's leading sports marketing portfolio in Greater China. The Jordan Brand added to the energy by announcing their first female athlete signing in Asia, with basketball player Yang Shu Yu. To support this

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activity and normalize our marketing investment levels, we increased our investment in demand creation in the second quarter by more than 40% versus the prior year.

Our local team remains focused on creating distinctive and authentic connections with Chinese consumers. We celebrated the 40th anniversary of Nike's operations in China by using the Express Lane to reintroduce the original Nai-ke collection, with robust storytelling on the history and heritage of these iconic products. During our first launch, all product sold through in the first hour. We will continue to expand the Express Lane to bring unique, localized offerings to the consumer, leveraging our most popular global product franchises, to drive uniquely Nike energy in the marketplace.

We see encouraging signs in Greater China...and while inventory supply has been a major disruption in the marketplace, we continue to expect Fiscal 22 to be a year of recovery. Having said that, we expect to see sequential improvement from here, beginning in the third quarter.

Now moving to APLA. Q2 revenue declined 6 percent on a currency neutral basis and EBIT declined 8 percent on a reported basis. Double digit revenue growth, on a currency neutral basis, in SOCO was offset by declines in Asia Pacific territories which faced a greater impact from Vietnam factory closures as well as the business model shift in Brazil. Season-to-date holiday retail sales across the total market grew versus the prior year, despite supply disruptions and door closures in SEA&I and Pacific.

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Nike Direct grew 6 percent, led by Nike Digital growth of 25 percent. Our teams maximized market moments with all territories delivering successful Member Days and locally relevant activations including Singles Day in South East Asia, Buen Fin in Mexico and Cyber Week in Japan. Mexico's Digital business more than doubled as we enabled a localized assortment and fulfillment capabilities through the Nike App.

Finally, APLA continues to leverage the Express Lane, their digital ecosystem and global partnerships to create locally relevant product and meaningful engagement with consumers around the world. Consumers in APLA are highly connected, and our team continues to innovate on digital experiences that are locally relevant. The Dia De Los Muertos footwear pack saw 100 percent sell through and this story was extended to the world through our new partnership with Roblox.

Now let's turn to our financial outlook...

As we approach the end of the second year of the pandemic, it is becoming even more challenging to compare quarters and fiscal years due to multiple waves of COVID-related disruption, at different times, across the consumer marketplace and now supply chain. We expect the operating environment to remain volatile as COVID-variants continue to cause disruption to business operations. Our Fiscal 22 financial outlook reflects inventory supply significantly lagging consumer demand across Nike's portfolio of brands. However, Nike's long-term market opportunity is larger than ever, and so we remain focused on what we can control in the short-term...and on where we are heading through our Consumer Direct Acceleration strategy...and on what is required to

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deliver on our Fiscal 25 financial outlook.

Specifically for Fiscal 22, we continue to expect Revenue to grow mid single digits versus the prior year, in line with guidance from 90 days ago. For Q3, we expect revenue to grow low single digits versus the prior year, due to the ongoing impact from lost production from COVID-related disruptions in Vietnam.

We are raising our Gross Margin guidance to expand 150 basis points versus the prior year. We expect to continue benefitting from exceptional demand against the backdrop of lean marketplace inventory. Full price realization will remain above our long-term target, with lower channel markdowns. However, we expect product costs to rise in the second half due to higher macro input costs. We are also planning for supply chain cost for the full year to increase relative to our estimates ninety days ago, with a greater impact in the second half. Last, we now expect foreign exchange to be a 55 basis points tailwind versus prior year.

We continue to expect SG&A to grow mid-to-high teens for the full year as demand creation spend normalizes and we continue to invest in the capabilities to support our consumer-led digital transformation.

We now expect our Effective Tax Rate to be in the low teens for the full year.

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Consumer Direct Acceleration is driving our business forward...and it is transforming our financial model. We continue to prove that we can manage through the uncertainty and volatility in the current operating environment...But we are doing more than just managing through...we are building Nike for the future...with deeper consumer connections, a pipeline of product innovation to serve the needs of the modern athlete, and new operational capabilities required to serve consumers directly and digitally, at scale. We have a clear vision of our Brands' long-term future, and so we remain focused on what is required to win over the long-term.

With that, let's open up the call for questions.