

NIKE, Inc.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

<i>(In millions, except per share data)</i>	THREE MONTHS ENDED		%
	8/31/2023	8/31/2022	Change
Revenues	\$ 12,939	\$ 12,687	2%
Cost of sales	7,219	7,072	2%
Gross profit	5,720	5,615	2%
<i>Gross margin</i>	44.2 %	44.3 %	
Demand creation expense	1,069	943	13%
Operating overhead expense	3,047	2,977	2%
Total selling and administrative expense	4,116	3,920	5%
<i>% of revenues</i>	31.8 %	30.9 %	
Interest expense (income), net	(34)	13	—
Other (income) expense, net	(10)	(146)	—
Income before income taxes	1,648	1,828	-10%
Income tax expense	198	360	-45%
<i>Effective tax rate</i>	12.0 %	19.7 %	
NET INCOME	\$ 1,450	\$ 1,468	-1%
Earnings per common share:			
Basic	\$ 0.95	\$ 0.94	1%
Diluted	\$ 0.94	\$ 0.93	1%
Weighted average common shares outstanding:			
Basic	1,528.4	1,567.1	
Diluted	1,543.3	1,585.8	
Dividends declared per common share	\$ 0.340	\$ 0.305	

NIKE, Inc.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(Dollars in millions)</i>	August 31, 2023	August 31, 2022	% Change
ASSETS			
Current assets:			
Cash and equivalents	\$ 6,178	\$ 7,226	-15%
Short-term investments	2,612	4,650	-44%
Accounts receivable, net	4,749	4,960	-4%
Inventories	8,698	9,662	-10%
Prepaid expenses and other current assets	2,013	2,379	-15%
Total current assets	24,250	28,877	-16%
Property, plant and equipment, net	5,109	4,778	7%
Operating lease right-of-use assets, net	2,939	2,880	2%
Identifiable intangible assets, net	272	283	-4%
Goodwill	281	282	0%
Deferred income taxes and other assets	3,935	3,988	-1%
TOTAL ASSETS	\$ 36,786	\$ 41,088	-10%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ —	\$ 500	-100%
Notes payable	6	9	-33%
Accounts payable	2,738	3,371	-19%
Current portion of operating lease liabilities	435	424	3%
Accrued liabilities	4,987	6,277	-21%
Income taxes payable	295	338	-13%
Total current liabilities	8,461	10,919	-23%
Long-term debt	8,929	8,922	0%
Operating lease liabilities	2,807	2,736	3%
Deferred income taxes and other liabilities	2,618	2,689	-3%
Redeemable preferred stock	—	—	—
Shareholders' equity	13,971	15,822	-12%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 36,786	\$ 41,088	-10%

NIKE, Inc.
DIVISIONAL REVENUES
(Unaudited)

<i>(Dollars in millions)</i>	THREE MONTHS ENDED		%	% Change Excluding Currency Changes ¹
	8/31/2023	8/31/2022	Change	
North America				
Footwear	\$ 3,733	\$ 3,805	-2%	-2%
Apparel	1,479	1,494	-1%	-1%
Equipment	211	211	0%	0%
Total	5,423	5,510	-2%	-1%
Europe, Middle East & Africa				
Footwear	2,260	2,012	12%	10%
Apparel	1,137	1,153	-1%	-3%
Equipment	213	168	27%	23%
Total	3,610	3,333	8%	6%
Greater China				
Footwear	1,287	1,233	4%	11%
Apparel	401	374	7%	14%
Equipment	47	49	-4%	2%
Total	1,735	1,656	5%	12%
Asia Pacific & Latin America				
Footwear	1,141	1,064	7%	7%
Apparel	371	413	-10%	-9%
Equipment	60	58	3%	3%
Total	1,572	1,535	2%	3%
Global Brand Divisions²	13	14	-7%	1%
TOTAL NIKE BRAND	12,353	12,048	3%	3%
Converse	588	643	-9%	-9%
Corporate ³	(2)	(4)	—	—
TOTAL NIKE, INC. REVENUES	\$ 12,939	\$ 12,687	2%	2%
TOTAL NIKE BRAND				
Footwear	\$ 8,421	\$ 8,114	4%	4%
Apparel	3,388	3,434	-1%	-1%
Equipment	531	486	9%	9%
Global Brand Divisions ²	13	14	-7%	1%
TOTAL NIKE BRAND REVENUES	\$ 12,353	\$ 12,048	3%	3%

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)

<i>(Dollars in millions)</i>	THREE MONTHS ENDED		%
	8/31/2023	8/31/2022	Change
North America	\$ 1,434	\$ 1,377	4%
Europe, Middle East & Africa	930	975	-5%
Greater China	525	541	-3%
Asia Pacific & Latin America	414	500	-17%
Global Brand Divisions ²	(1,205)	(1,187)	-2%
TOTAL NIKE BRAND¹	2,098	2,206	-5%
Converse	167	209	-20%
Corporate ³	(651)	(574)	-13%
TOTAL NIKE, INC. EARNINGS BEFORE INTEREST AND TAXES¹	1,614	1,841	-12%
<i>EBIT margin¹</i>	<i>12.5 %</i>	<i>14.5 %</i>	
Interest expense (income), net	(34)	13	—
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES	\$ 1,648	\$ 1,828	-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. 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.