

HEIDI O'NEILL

President, Nike Direct

ADAM SUSSMAN

Chief Digital Officer

Heidi O'Neill, President, NIKE Direct:

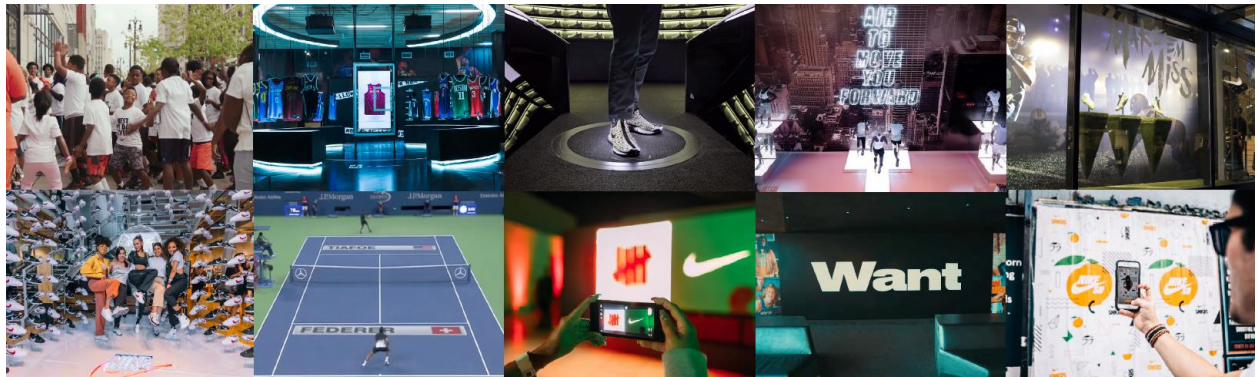
Good morning, everyone. I'm Heidi O'Neill, President of NIKE Direct.

Adam Sussman, Chief Digital Officer:

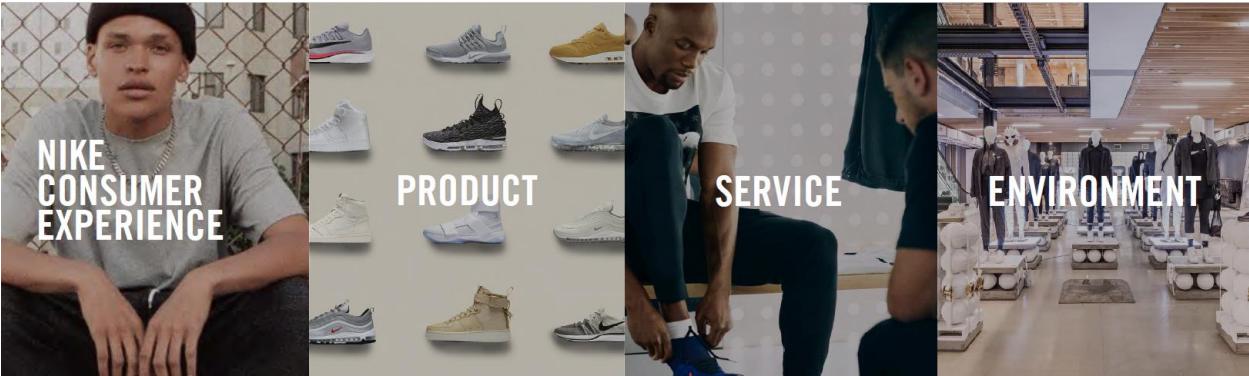
And I'm Adam Sussman, Chief Digital Officer.

Heidi O'Neill, President, NIKE Direct:

As you've heard throughout the day, our consumers have incredible expectations. They expect us to serve them on their terms with personal and premium experiences we know they love. What you've also heard today is that NIKE Direct is in the perfect position to serve those consumers, thanks to the strength and distinction of our NIKE Brand combined with our deep digital expertise.



We bring our brand, our assets and our experiences to life across the breadth of the NIKE network. Elliott will speak to our strategic partners. But through our NIKE Direct channels alone, this network combines our industry-leading digital portfolio with over 7,000 NIKE-branded doors. That's owned and partnered around the world, serving more than 2.8 billion consumer visits every day. That's a lot of love for the NIKE Brand.

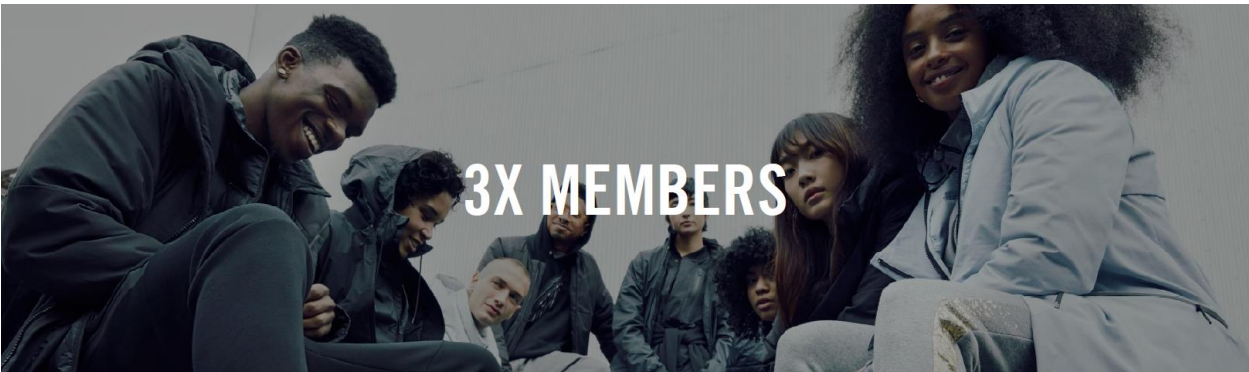


Across this massive digital and physical footprint, NIKE Direct will consistently deliver the best expression of the NCX, the Nike Consumer Experience, as the truest expression of the NIKE Brand. And as Trevor mentioned earlier, the NCX focuses on 3 key areas: Product, service and environment. We are going to spend the next 15 minutes sharing more insights into how we are bringing this strategy to life, why it will serve consumers better and how it will drive growth.

Adam Sussman, Chief Digital Officer:

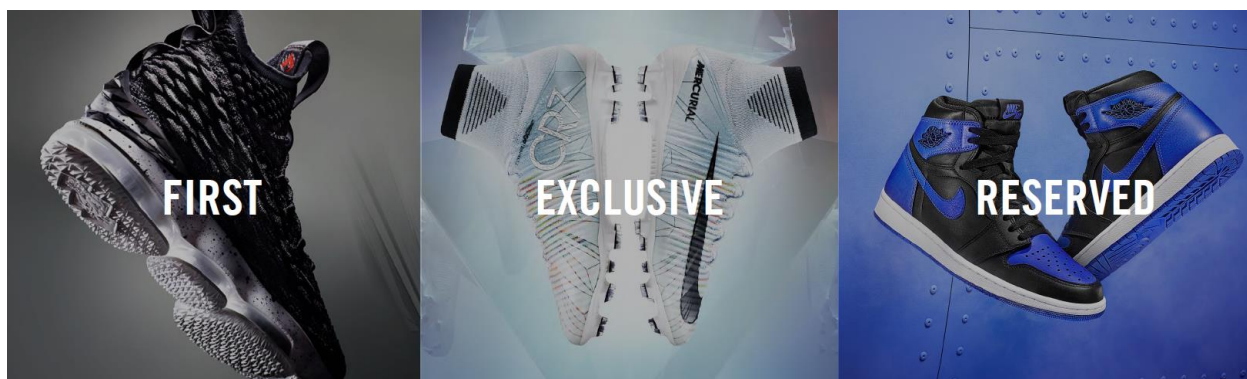
A key part of this growth will be driving consumer connections with our new NikePlus membership program across the entire NCX. We are really excited about the power of this program and its ability to drive growth. Over the last 2 years alone, we grew membership at nearly 30% per year. We currently have over 100 million members. And those are people, 100 million consumers who want to be connected with our brand. And our NikePlus membership program will more than triple that over the next 5 years.

We also know that membership drives significant value. NikePlus members who shop via our mobile apps spend 3x the amount that guests spend on Nike.com. We're going to give you much more on membership in a few minutes.



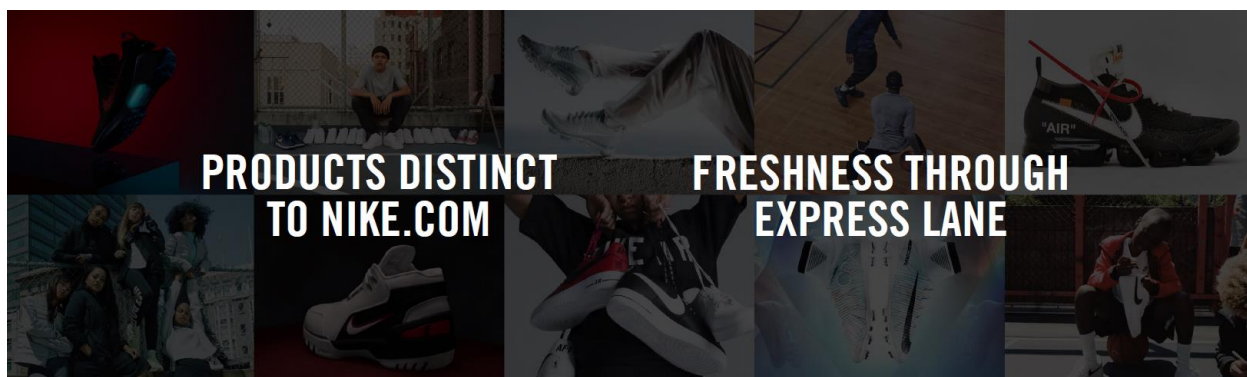
Heidi O'Neill, President, NIKE Direct:

So as we explore NCX, let's start with product. NIKE's footwear and apparel are coveted by consumers everywhere they shop. Whether that be in digital channels or through our stores, we hear and feel our consumers' passion every day. Going forward, NIKE Direct will create new member-only access to product they love so much, matched with their individual preferences and buying patterns. This unique access to NIKE's greatest innovations and hottest styles is about 3 key features that serve consumers on their terms.



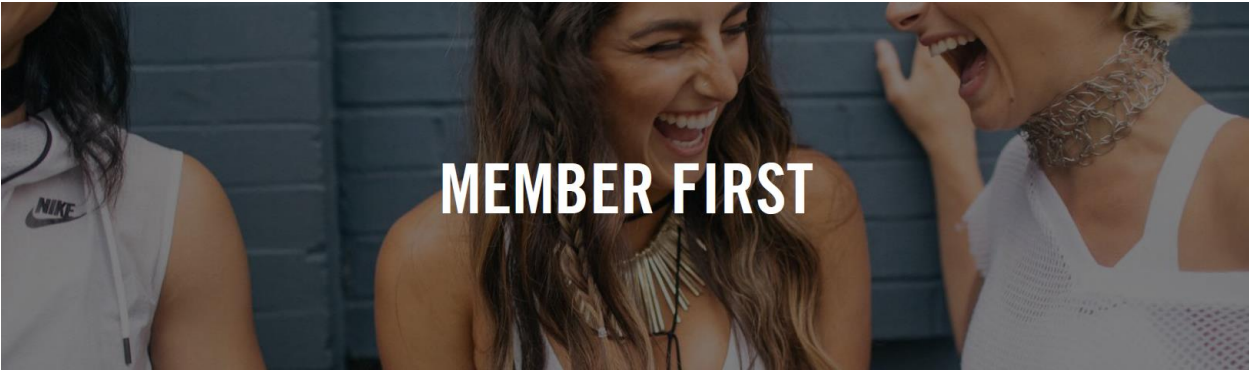
First, exclusive and reserved. Imagine being the very first to buy and wear LeBron's new shoe or the next VaporMax hot colorway or being able to get your hands on a member-only exclusive of the Cristiano Ronaldo Mercurial, or knowing a Jordan Retro is about to drop, but knowing that you have already been able to guarantee your size and reserve a pair.

That concept of exclusivity will be built-to-scale to serve the specific needs of members. And when we get it really right, we might just give our members the confidence to run their first mile or run their fastest. We might inspire them to try out for the team or reach for the MVP, or we might just make them feel great because we know when you look good, you feel good.



We're also redefining the merchandising process, so we can offer an increasingly differentiated assortment not found anywhere else in the marketplace. This creates incredible opportunities. More than 1/3 of our offering will be distinct to Nike.com and exclusive to members, and an aggressive shift towards this vision is already underway.

At the same time, we're injecting the energy and freshness consumers crave through the Express Lane that Michael talked about earlier. This enables Nike.com to introduce new styles each week and create product based on analytics and local insights faster and more directly. NIKE Direct already has 3 speed pilots activating this year. And in the next 5 years, we expect 50% of seasonal styles to be delivered in less than 90 days through our Express Lane.

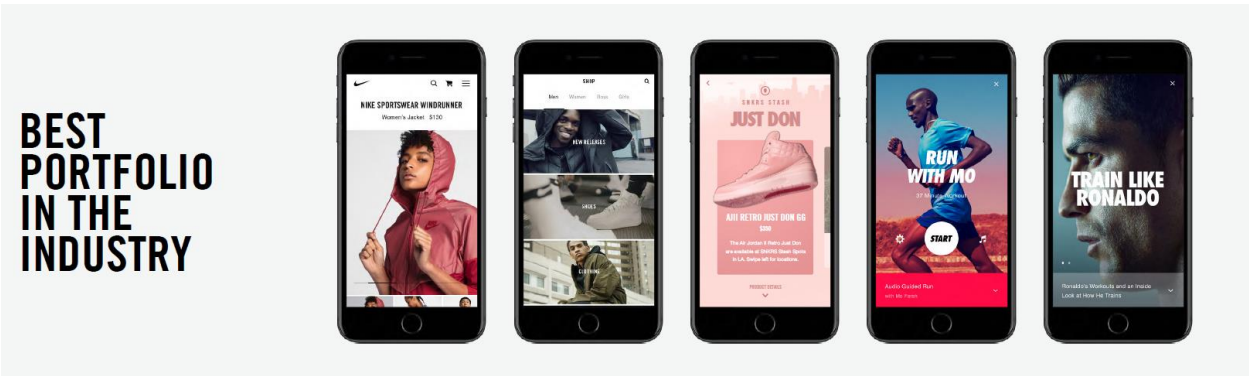


The strategic shifts towards the new models of access, exclusives and Express Lane are all part of a member-first, member-centric vision for NIKE Direct. Powering this vision are the investments we're making in personalization capabilities. These include a single member profile, proprietary algorithms and machine learning. These capabilities enable us to better understand the needs of each individual member and build assortments and buys that meet those needs. It's a virtuous circle. As more members generate more data, we're positioned to serve up even smarter and more personalized experiences for each and every member.

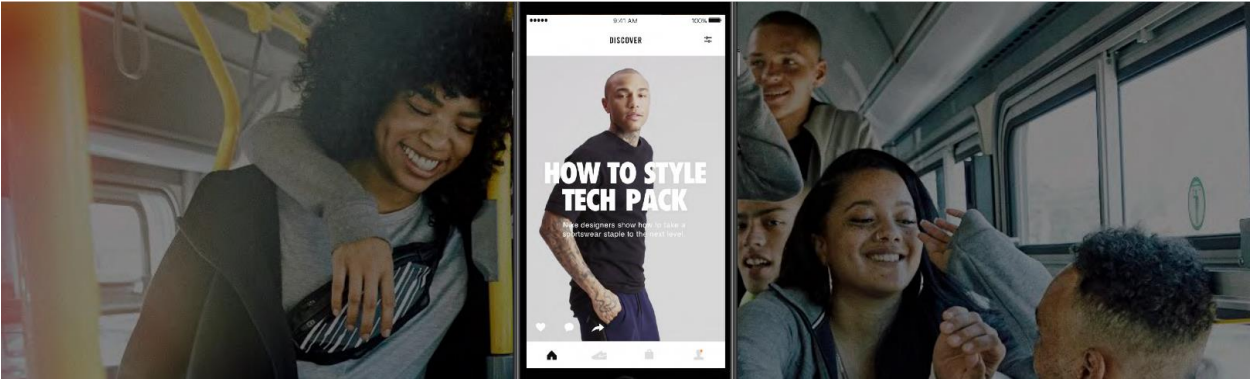
Adam Sussman, Chief Digital Officer:

So the payoff may be product, but we have to make sure we deliver it through great consumer experiences.

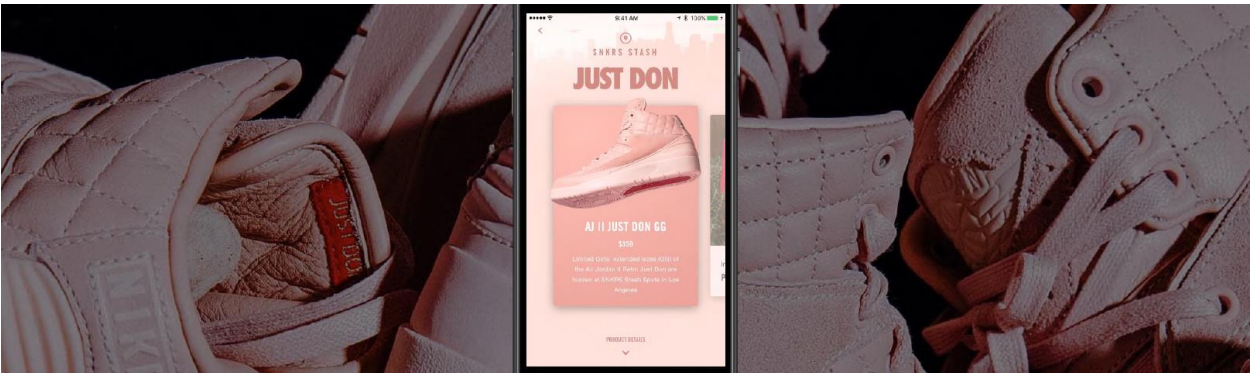
Let's take a look at the strength and potential of our 5 world-class digital experiences. That's the Nike APP, SNKRS app, NIKE Run Club, NIKE Training Club, and of course, Nike.com.



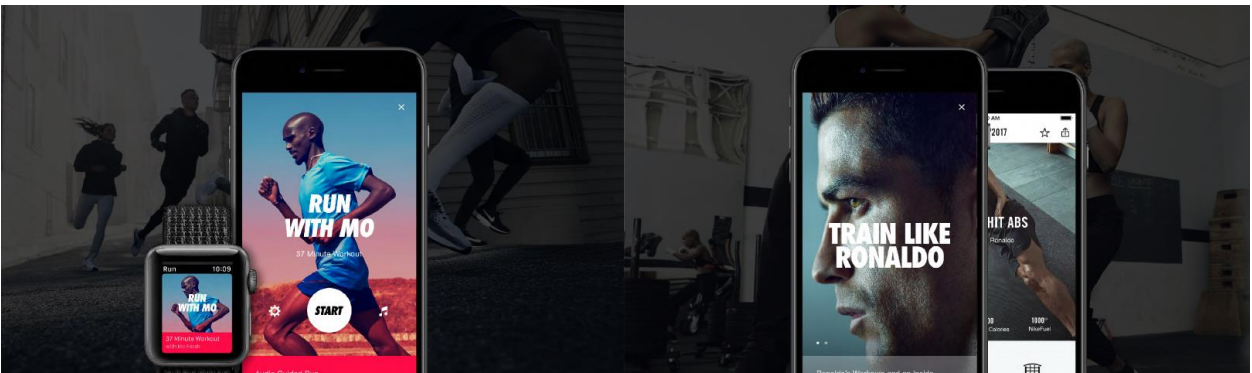
Starting with the Nike APP. It has 5 stars across 25,000 reviews, and it offers the best of NIKE personalized for you. It's a hub for your membership experience, powered by curated content that is based on your interests and a personal storefront that is driven by proprietary algorithms. We've already said that the Nike APP member spends 3x more than a guest. Now we're accelerating the adoption of this app to allow us to tap into that revenue potential.



Then there's the SNKRS app. It's the ultimate source for sneakers, fueling the passion of over 4 million sneaker fans. SNKRS has the highest annual spend per buying member, but it isn't just about an indispensable way to access the hottest kicks. It's about reinventing the sneaker game. In the past 6 months, we've launched a number of breakthrough features that have delivered great results, growing installs by over 100% and monthly active users by over 50%. Now we are disrupting the sneaker game even further with new social and gamification features such as augmented reality and geo-fence treasure hunts that bring magic and fun to sneaker launches. And we're actually going to show you some of this in the breakout room later.



Then there's NIKE Training Club. That's the #1 workout app in U.S. and Europe, leading an incredible 1.8 million workouts per month.



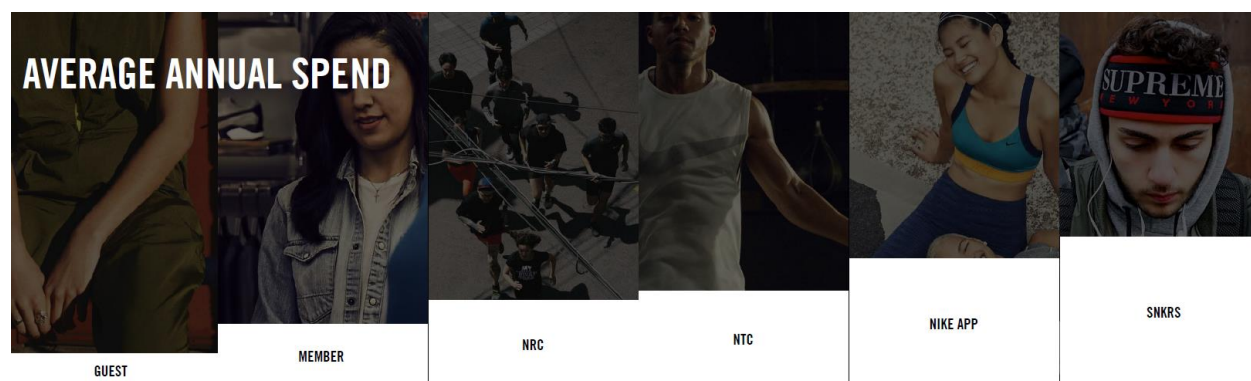
And NIKE Run Club, the #1 running app in the world, guiding almost 50 million miles of running each month. That's the equivalent of running around the earth nearly 2,000 times. And now we're adding audio-guided runs to this experience, a great innovation that helps athletes either run their first race or get ready

for their next big race. These apps will continue to help members achieve their goals but will also start to organically put product in the path of that consumer as we integrate seamless commerce into these experiences by next summer.



Together with Nike.com, all of these apps are linked by one single membership profile. That profile also extends to physical retail that makes sure we can deliver that consistent consumer journey that inspires, motivates you and brings you back for more.

These apps are already becoming the consumers' preferred way to shop with us digitally. And this focus on mobile is actually a crucial part of our future growth. Already this year, more than 50% of our NIKE Direct digital revenue comes via mobile experiences in the U.S. And we're well positioned to capture even more with this portfolio.



We now know that when consumers engage with us across multiple touch points, we're able to serve them more completely. They run with us. They train with us. And then they buy with us. And the retention for those consumers more than doubles as a result. And our most engaged experiences drive our highest revenue per member.

Heidi O'Neill, President, NIKE Direct:

And it's important to note that we're scaling these app experiences globally. We already have Nike.com in more than 40 countries and in every region of the world. And the Nike APP and the SNKRS app are in more than 20 countries across North America and Europe.

**NIKE.COM IN
MORE THAN 40
COUNTRIES**

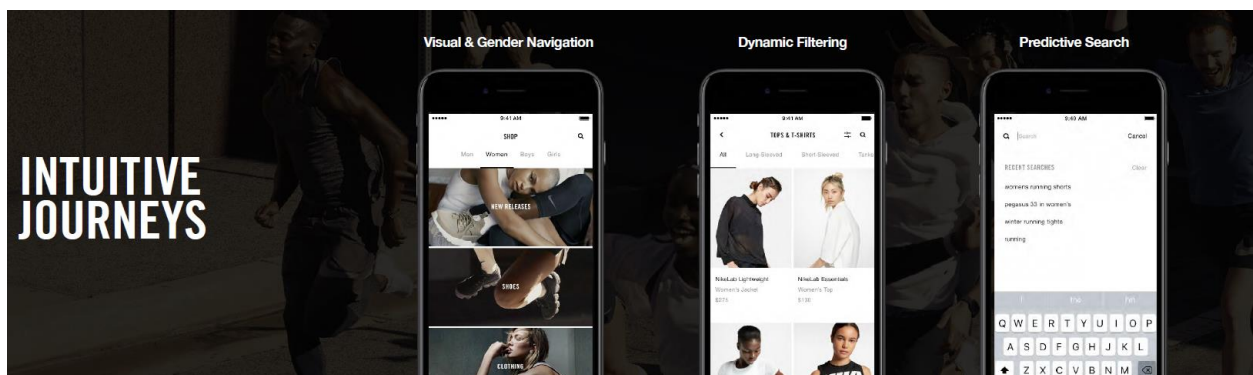


We're also incredibly excited to be expanding to Greater China and Japan later this fiscal year, broadening the reach of our apps to almost 700 million new consumers. With this rollout plan, we will have our complete portfolio of apps in 8 of the 10 key countries that drive 80% of our growth by the middle of next calendar year.



Adam Sussman, Chief Digital Officer:

As the same time as we expand globally, we are also transforming the fundamental nature of our digital experiences by continuing to migrate our platform and services into the cloud. Make no mistake. This is a dramatic shift for us, but it will significantly increase our speed and ability to exceed consumers' expectations while removing friction on their path to purchase.

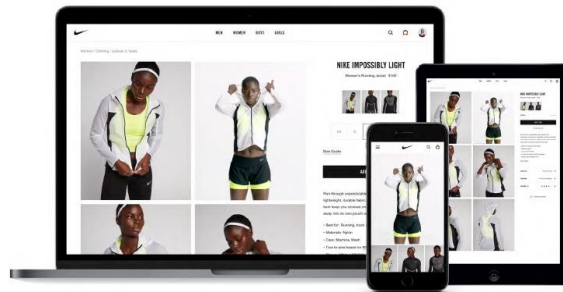


Meanwhile, as Trevor said, we're also delivering a complete refresh of these digital experiences globally. Let's take a look at 3 major UX enhancements launching later this month. Our consumers expect to be able to purchase quickly and easily. Even a small delay at any point is enough to deter some consumers,

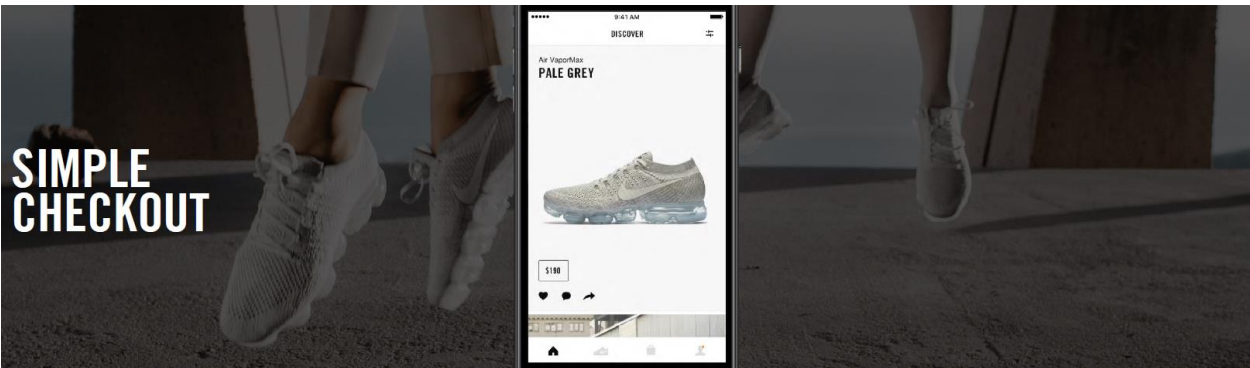
so we've elevated some of the most common entryways into the NIKE shopping experience. That means better visual navigation, more logical shopping by gender and predictive and personal search results.

Next, we know consumers are looking for great product information. And not just the facts, like size and fit, but a true emotional connection. That's why we're working hard to make sure Nike.com and our apps are full of the most premium information and styling, bringing that movement and energy through powerful imagery and video. We will be the best destination for product information, storytelling and premium content.

BEST SOURCE OF INFORMATION

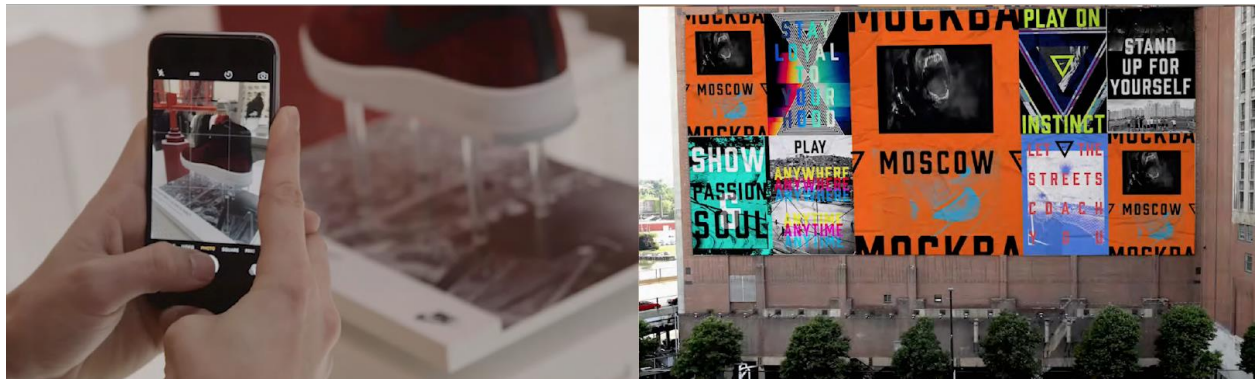


And finally, checkout. Across the world of digital commerce, too many consumers get to this final stage only to abandon their virtual shopping cart. That's why we've streamlined the checkout process, removing friction on the way to purchase and remembering your preferences by creating a 2-click checkout.



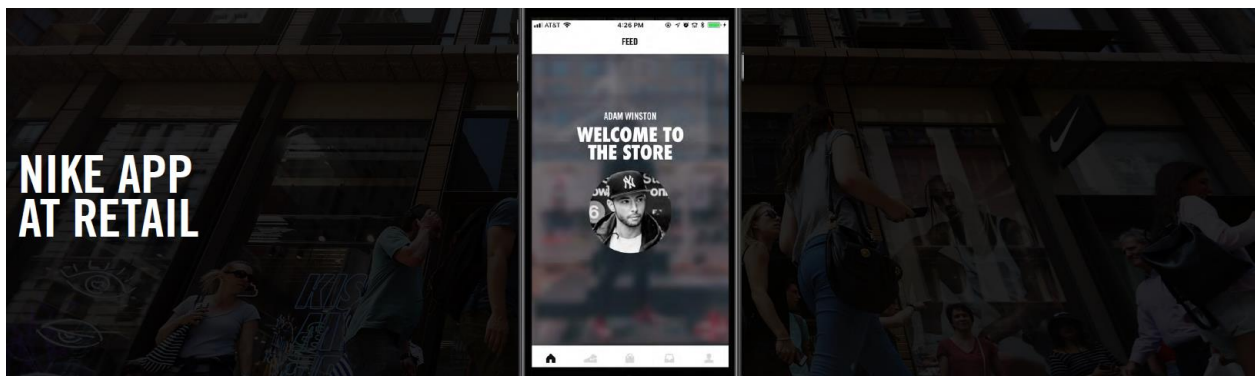
By the way, this streamlined approach is already part of the SNKRS experience, and we know our consumers love it. We can't wait to see the response from our consumers when all this goes live this fall.

Heidi O'Neill, President, NIKE Direct:



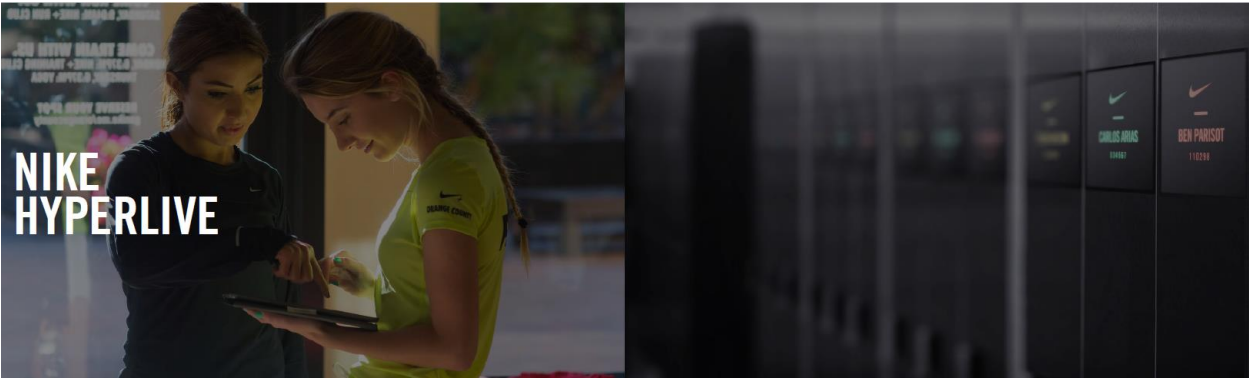
We'll also serve members better by connecting the physical and digital experience across the NIKE network. Today, I'm going to share with you 4 launches that you'll see from NIKE over the next 12 months.

Let's start with NIKE Connect. NIKE Connect will close the space between the moment you see that NIKE product that you absolutely covet, whether in a store, on the street or in media, and the moment of purchase. Through NIKE Connect, the world will become your high street window, and the Nike APP camera will become your store. Later today, you will see NIKE Connect snap and buy in real life.



Another example of connecting physical and digital experiences is our Nike APP at retail. This will go live this spring and scale through North America and Europe by the end of next year. Nike APP at retail enables us to serve consumers more personally through a deeper digital connection in-store. It will instantly recognize you when you walk in the store. And since you pushed notifications based on your preferences and your profile or allow you to scan a shoe on the footwear wall and have instant access to see colors or availability in your size, or skip the line and instantly purchase in the store through a seamless digital checkout on the app. Nike APP at retail creates a personal curated experience. You'll see more of this in the breakout later as well.

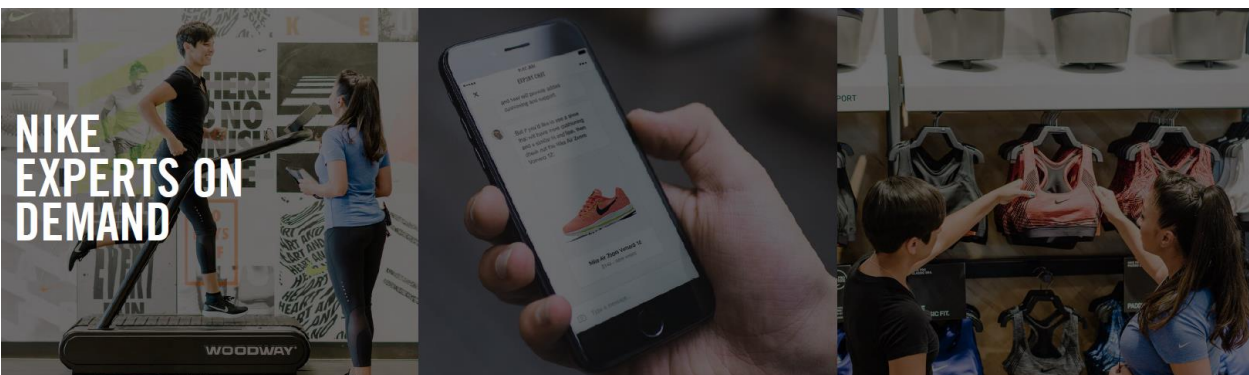
We're also really excited today to talk about a new concept, a small format retail concept called NIKE Hyperlive. Hyperlive extends our digital experience to serve members in stores that are powered by the Nike APP and staffed exclusively by Nike Experts.



Locations are chosen by leveraging Nike.com data on buying patterns. That data also ensures that we stock the right products for consumers in that ZIP Code and that our assortments are fast and agile based on local market analytics. Features include a personalized speed locker for easy pickup and returns, along with a sneaker bar for style advice and consultations. We'll be launching our first Hyperlive door in L.A. early this summer.



As we work to always exceed our consumers' expectations, both Hyperlive and Nike APP at retail will play a really important role in the digitally led transformation of the marketplace. Personalized service is at the core of NIKE Direct, whether on the physical or on the digital high street. Now I'd like to introduce you to Nike Experts on demand. This service gives you one-to-one access to a NIKE expert who can help you with anything you need, gearing you up, getting you styled or motivating your whole athletic life.

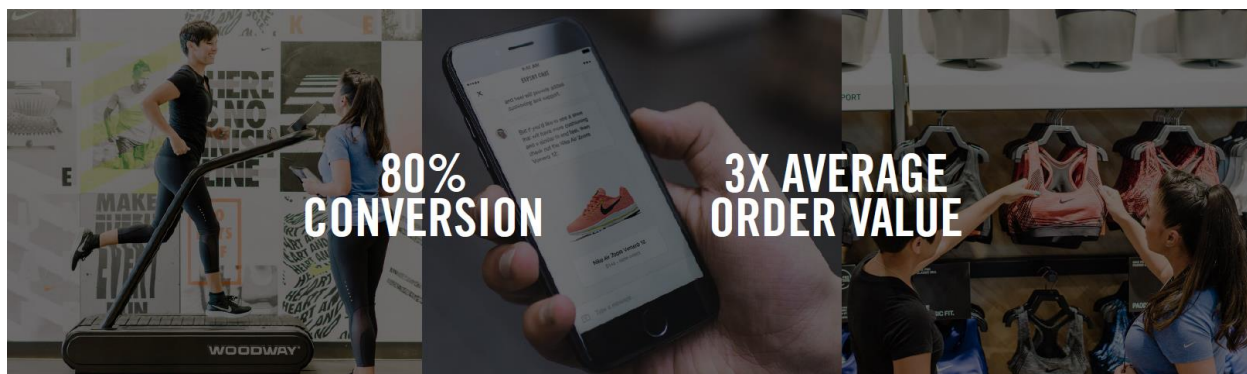


This can be via a simple tap on the screen or an exclusive one-to-one session in-store. Results from our pilots of these in-store sessions have been staggering. We've already seen conversion of 80% for these one-to-one sessions as well as a 300% increase in average order value. This represents real opportunity.

We'll roll out our Nike Experts on demand and the Nike APP next month into more than 50 stores by the end of the fiscal year.

Adam Sussman, Chief Digital Officer:

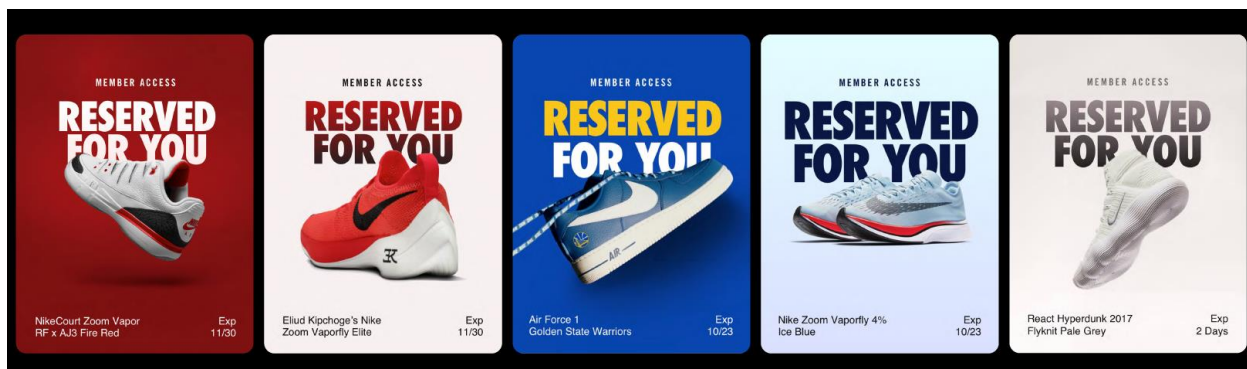
So let's talk now about NikePlus membership. As you know, NIKE's role is to inspire, help and guide our consumers on the journey to being a better athlete. We believe our greatest opportunity to do this is to convert our consumers into NikePlus members. After all, NikePlus membership creates a personal and indispensable relationship.



And like any relationship, it gets better over time and it deepens our emotional connection with that consumer. We'll be launching the NikePlus membership program next month, but first, we want to show you a video of how this is going to come to life for consumers. So let's take a look together, okay?

[Video In Room]

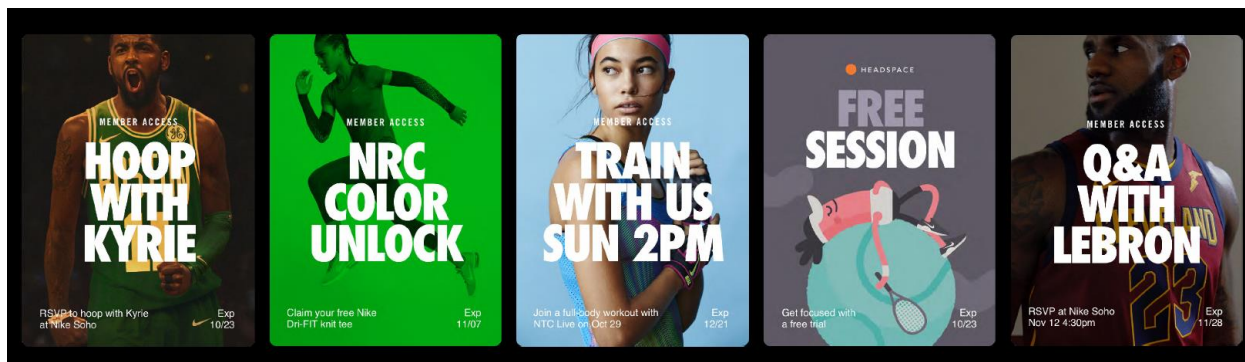
So I want to briefly unpack some of the elements that you saw in that video. First, we're going to build on the tremendous success we've already seen with our reserved-for-you service that is currently live in the Nike APP. What that service does is it sets aside products that we think you're going to love, and it reserves them in your size. It currently uses machine learning-powered algorithms that actually result up to 40x the conversion of what our average conversion rates are today.



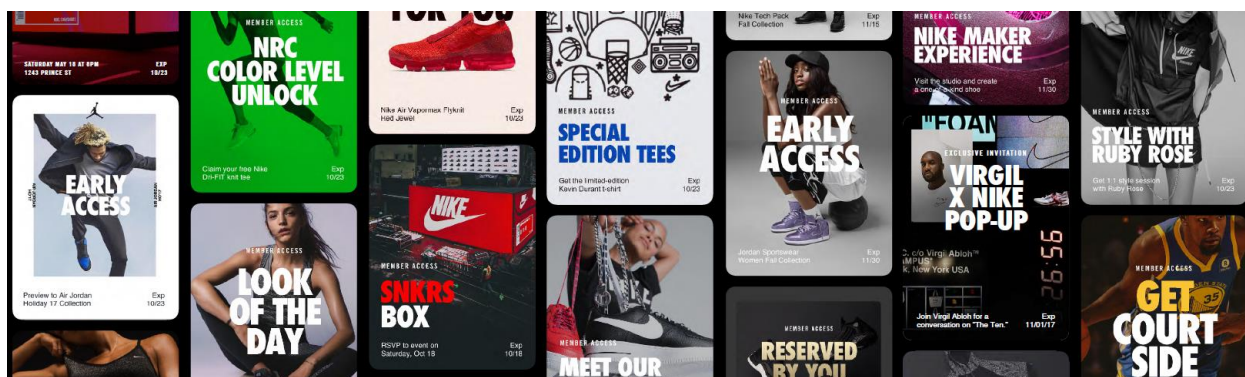
But we also have another concept we're calling reserved-by-you. That's the shoe that you absolutely must have. You can raise your hand for it and reserved-by-you, we're going to give you guaranteed access to that shoe. It's a groundbreaking service, and we can't wait to scale it on the first half of next year.

Alongside product, we're also going to accelerate invitations to personalized events and experiences. Imagine receiving early access to those impossible to get race bibs, unlocked by what we call your Sweat Equity and achievements in NIKE Run Club, or getting an invitation to participate in a Q&A session with LeBron James because you bought his Cavs Jersey. We're also extending amazing benefits and offers

from NikePlus partners like Apple Music, Headspace and Class Pass. And let's not forget, the VIP member-only offers that will surprise and delight you like only NIKE can.



The Nike APP will be the central hub of membership for our consumers. We'll be taking our amazing inventory of products, events and experiences and bringing the magic to our members with the launch of NikePlus Unlocks. These unlocks will be delivered regularly at least one time per month per member. And they will play a powerful role in driving increases in new, active and buying members.



Membership also has a powerful amplifier in the form of footwear and apparel. Imagine the possibility when hundreds of millions of our products are connected, each one providing a unique content or service and driving that on-ramp to membership.

We've already started that journey with NBA Connect, where a simple tap of the phone on the jock tag of the jersey unlocks a world of curated content and personalized offers based on your favorite team or player. And now we're excited to be piloting this in footwear for the first time with the Air Force 1 connected product this spring. Stay tuned for more.

Heidi O'Neill, President, NIKE Direct:

So we know that our business is successful when our members are happy and our members are served. We are in the perfect position to realize our potential. We have over 100 million members today, and we'll use the strength of our NIKE brand, the NIKE network and connected product to take that to 300 million members over the next 5 years. We also have the largest number of buying members in the industry and we will 4x that over the same time frame.



Ultimately, our NIKE Direct vision is about serving members personally. We are using this vision to lead the future of retail, a future that serves members with new models of access to the products they love, a future that strengthens digital and physical by uniting them in a shared experience, a future that defines each and every member as unique individuals with the highest of demands, and a future that will power NIKE's growth.

Now we're going to turn it over to Elliott. Thank you.

Adam Sussman, Chief Digital Officer:

Thank you.