Nike Ecosystem

Nike, Inc.
One Bowerman Drive
Beaverton, Oregon 97005
Phone: (503) 671-6453 nike.com

Outside Relationships

Regulators

Subjects of General Business Regulation

- Environmental Protection Agency (Regulation of and Permits for Discharges, Leaks, Emissions, Disposals, Storage of Particular Matter, Hazardous Waste, and Toxic Substances in the Water, Air and Soil)
- Patent, Copyright, and Trademark Offices (Patent, Copyright, and Trademark Registrations)
- Occupational Health and Safety Administration (OSHA) (Regulation of Workplace Health and Safety; Serious Injury Reporting)
- Tax Authorities (Regulation of Income Taxes, Indirect Taxes Such as Excise/Duty and Sales/Use Taxes, Payroll Taxes, Franchise Taxes, Withholding Taxes, and Ad Valprem Taxes)
- Federal Trade Commission (FTC) and Consumer Products Safety Commission (CPSC) (Consumer Protection and Product Safety Regulation)
- Fair Trade, Data Security, and Anti-Corruption Agencies (Antitrust or Competition Law Enforcement, Cyber Security, Data Privacy and Sovereignty, Anti-Bribery Law)
- U.S. Department of Labor (DOL) (Wage and Overtime Record-Keeping and Fair Labor Practices under National Labor Relations Board Rules (NLRB))
- Trade Authorities (Regulation and Licensing of Imports and Exports of Finished Goods and Raw Materials, Tariffs and Trade Barriers, Restricted Party Transactions and Improper Payments, and Economic Sanctions; Regulation of Money Laundering)

Capital

- Public Debt Holders
- Commercial Banks
- Hedging Counterparties
- Sojitz Corporation of America (Japanese Trading Company)

Financing
Working Capital Financing
Foreign Currency Derivative Trades
Import-Export Financing *Trade and Customs Compliance* (Argentina, Uruguay, Canada, Brazil, South Africa, and India)
Regulation

Suppliers

Select Endorsements

Leagues
- NFL, MLB, NBA, WNBA, and Select Teams

WNBA
- Maya Moore
- Asia Durr
- Satou Sabally

Soccer
- Megan Rapinoe
- Alex Morgan
- Cristiano Ronaldo
- Neymar
- Kylian Mbappe

NBA
- Michael Jordan
- LeBron James
- Kevin Durant
- Chris Paul

NFL
- Peyton Manning
- Russell Wilson
- Odell Beckham Jr.
- Colin Kaepernick

Tennis
- Naomi Osaka
- Serena Williams
- Rafael Nadal

MLB
- Giancarlo Stanton
- Mike Trout

Golf
- Michelle Wie
- Rory McIlroy
- Tiger Woods

Athletes, Leagues, National Teams, College Teams and Other Endorsement Arrangements

Shoe Suppliers

Fulgent Sun Group
Taiwan HQ, Factories in Vietnam, Cambodia, and China
(Sports and Outdoor Footwear)

Pou Chen Corporation
Taiwan HQ, Factories in China, Indonesia, Vietnam, Bangladesh, Cambodia, and Myanmar
(Athletic and Casual Footwear)

Manufacturing Locations (115 Factories): Vietnam, China, Indonesia, and Thailand

Contract Manufacturing Services and Finished Footwear Supplies

Nike, Inc. (an Oregon Corporation)

Debt Structure

Long Term Debt ($9.406 B @5/31/20) — Credit Ratings: AA- (Standard & Poor's); A1 (Moody's)

Credit Lines	Corporate Term Debt		Japanese Yen Notes
$2B Committed Credit Facility (2021)	2023 Notes: $500M @ 2.25%	2027 Notes: $1B @ 2.75%	2020 Notes: ¥9B @ 2.6%
$2B Committed Credit Facility (2024) (Includes Commercial Paper Program)	2025 Notes: $1B @ 2.4%	2030 Notes: $1.5B @ 2.85%	2020 Notes: ¥4B @ 2.6%
	2026 Notes: $1B @ 2.38%	2040 Notes: $1B @ 3.25%	
		2043 Notes: $500M @ 3.63%	
		2045 Notes: $1B @ 3.88%	
		2046 Notes: $500M @ 3.38%	
		2050 Notes: $1.5B @ 3.38%	

Equity Structure

Equity	Redeemable, Non-Voting Preferred Stock	Class A Convertible Common Stock	Class B Common Stock
Share Repurchase Program — Authority: $15 Billion; Repurchased: $45.2 Million; Remaining: $11 Billion; Expiration: May 2024	*($0.10 Cumulative Dividend)* Authorized and Outstanding: 300,000; Recordholders: 1	*(Convertible into 1 Class B Share)* Authorized: 400 Million; Outstanding: 315,024,752; Recordholders: 14	*(Publicly Traded)* Authorized: 2.4 Billion; Outstanding: 1.243 Billion; Recordholders: 23,114

Governance

Board of Directors

Committee Chairs
- Michelle Peluso (G)
- Tim Cook (C)
- Alan Graf (A, F)

Committee Members
- Mark Parker, Chairman (E)
- Cathleen Benko (C)
- John Donahoe (E)
- Travis Knight (E)
- Elizabeth Comstock (C)
- Thasunda Duckett (G)
- John Rogers, Jr. (G)
- Peter Henry (A,F)
- John Connors (A, F)

Committees: Audit (A); Compensation (C); Executive (E); Finance (F); Responsibility, Sustainability, and Governance (G)

Management
- Philip Knight — Chairman Emeritus
- Mark Parker — Executive Chairman
- John Donahoe — President & CEO
- Andy Campion — COO
- Matthew Friend — EVP, CFO
- DJ Van Hameren — Chief Marketing Officer
- John Slusher — EVP, Global Sports Marketing
- Monique Matheson — EVP, Chief Talent Management & Diversity
- Hilary Krane — EVP, Chief Administration Counsel & General Counsel
- Nigel Powell — EVP, Chief Communications Officer
- Melanie Harris — VP, Strategy & Development
- G. Scott Uzzell — President & CEO Converse
- Michael Spillane — President, Consumer Creation
- Craig Williams — President, Jordan Brand
- Heidi O'Neill — President, Consumer & Marketplace
- Thomas Clarke — President, Innovation

Corporate Matters

Finance and Accounting
- Accounting
- Treasury
- Financial Reporting
- Tax
- Risk Management
- FP&A
- Internal Audit

Strategy
- Enterprise Level Strategic Planning (innovation, transformation growth)
- Business Portfolio Strategy Development (specific opportunities)

Legal
- Real Estate
- M&A Transactions
- Legal Operations
- Corporate Governance
- Brand Protection
- Government Affairs
- Ethics and Compliance
- Litigation Management

Innovation
- Athletic Footwear
- Athletic Apparel
- Athletic Accessories
- Valiant Labs (Nike Incubator)

Operations
- Global Technology and Digital Transformation
- Consumer Demand and Supply Management
- Manufacturing
- Distribution and Logistics
- Sustainability
- Workplace Design and Connectivity
- Procurement

Communications
- Corporate
- Consumer
- Employee

Human Resources
- Global HR Strategy
- Recruitment
- Succession Planning
- Learning and Career Development
- Org Effectiveness
- Employee Engagement
- Pay and Benefits
- Diversity and Inclusion
- Employee Relations

Consumer Creation
- Consumer Insights
- Product Merchandising
- Product Design (Footwear, Apparel, and Accessories)

Marketing
- Global Marketing
  - Advertising
  - Brands (Nike, Jordan, and Converse)
- Global Sports Marketing
  - Top Athlete, Team, League, and Federation Partner Relations

Consumer & Marketplace
- Direct-to-Consumer
  - Retail Stores
  - E-Commerce
  - Apps
- Marketplace Partners
  - Wholesaler Relations
  - Differentiated Retail Experience
  - Product Assortment
- Geographies
  - North America
  - Greater China
  - EMEA
  - APLA

Operations

North America ($14.48B; 38.7%)
Offices, Distribution Centers, and Other Facilities
- HQ: Beaverton, OR
- Distribution Centers: Memphis, TN (4); Indianapolis, IN; Dayton, TN
- Other Key Facilities: Canada; Mexico; St. Charles, MO (Air Sole Cushions); Beaverton, OR (Air Sole Cushions)

Revenue Breakdown: $14.48 B
Footwear: $9.33 B | Apparel: $4.64 B | Equipment: $516 M
Sale to Wholesale Customers: $9.37 B | Sale through NIKE Direct: $5.11 B

Europe, Middle East & Africa ($9.35B; 25%)
Offices, Distribution Centers, and Other Facilities
- HQ: Hilversum, The Netherlands
- Austria, Belgium, Croatia, Czech Rep., Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Israel, Italy, Netherlands, Norway, Poland, Portugal, Russia, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, U.A.E., U.K.

Revenue Breakdown : $9.35 B
Footwear: $5.89 B | Apparel: $3.05 B | Equipment: $402 M
Sale to Wholesale Customer: $6.57 B | Sale through NIKE Direct: $2.77 B

Greater China ($6.68B; 17.9%)
Offices, Distribution Centers, and Other Facilities
- HQ: Shanghai
- Distribution Centers: Suzhou, China; Taicang, China
- Other Key Facilities: Hong Kong; Mainland, China

Revenue Breakdown: $ 6.68 B
Footwear: $4.64 B | Apparel: $1.9 B | Equipment: $148 M
Sale to Wholesale Customer: $3.8 B | Sale through NIKE Direct: $2.88 B

Asia Pacific & Latin America ($5.03B; 13.4%)
Offices, Distribution Centers, and Other Facilities
- Argentina, Australia, Bermuda, Brazil, Chile, India, Indonesia, Japan, South Korea, Macau, Malaysia, New Zealand, Panama, The Philippines, Singapore, Sri Lanka, Taiwan, Thailand, Uruguay, Vietnam

Revenue Breakdown: $ 5.03 B
Footwear: $3.45 B | Apparel: $1.37 B | Equipment: $214 M
Sale to Wholesale Customer: $3.41 B | Sale through NIKE Direct: $1.62 B

Converse ($1.85B; 5%)
Offices, Distribution Centers, and Other Facilities
- HQ: Boston, MA
- Europe HQ: Hilversum, Netherlands
- China HQ: Shanghai, China
- Distribution Center: Ontario, CA

Revenue: $ 1.85 B
Footwear: $1.64 B | Apparel: $89 M | Equipment: $25 M | Royalties: $90 M
Sale to Wholesale Customer: $1.15 B | Sale through NIKE Direct: $602 M

NIKE Brands

Footwear (65.5%)

Apparel (30.8%)

Equipment (3.7%)

Retail Stores

U.S. Retail Stores (338)
- NIKE Brand Factory Stores: 212
- NIKE Brand In-line Stores: 28
- Converse Stores: 98

Non-U.S. Retail Stores (758)
- NIKE Brand Factory Stores: 643
- NIKE Brand In-line Stores: 52
- Converse Stores: 63

Converse Brands

NIKE Products
- Golf
- Lifestyle
- Cheerleading
- Training & Gym
- Basketball
- Baseball
- Walking
- Track & Field
- Slides & Sandals
- Jordan
- Running
- Football
- Skateboarding
- Soccer
- Tennis
- Sport Bras
- Socks
- Hoodies & Pullovers
- Tops & T-Shirts
- Jackets & Vests
- Tracksuits
- Polos
- Jumpsuits & Rompers
- Bodysuits
- Surf & Swimwear
- Pants & Tights
- Shorts
- Skirts & Dresses
- Underwear
- Yoga
- Pants & Leggings
- Compression & Baselayer
- Sunglasses
- Swim Goggles & Caps
- Balls
- Backpacks & Bags
- Gloves & Mitts
- Belts
- Sleeves & Armbands
- Shin Guards
- Hats, Visors & Headbands
- Watches

Wholesale Revenue by Product Category
- Sportswear: $12.29B (40.2%)
- Running: $3.83B (12.5%)
- Jordan Brand: $3.61B (11.8%)
- Training: $2.69B (8.8%)
- Football (Soccer): $1.58B (5.2%)
- NIKE Basketball: $1.51B (4.9%)
- Other: $5.11B (16.7%)
- Total Wholesale Equivalent Revenues: $30.61B

Competitors
- adidas, Lacoste, Russell Athletic
- Anta, lululemon, Patagonia
- ASICS, Li Ning, Puma
- Birddogs, New Balance, Sketchers
- Champion, The North Face, Under Armor
- Columbia, On Running, UNIQLO
- FILA, Reebok, V.F. Corp.

Contract Manufacturing Services and Finished Apparel Supplies

License to Manufacture and Sell Apparel, Digital Devices and Applications, and Sporting Equipment Using NIKE- and Converse-Owned Trademarks

Inventory Delivery

Warehousing, Inventory Management, and e-Commerce Services

Apparel Suppliers
- **PT Pan Brothers** — *Indonesia HQ and Factories* (Fall and Winter Jackets, Pants, Shorts, Shirts (Dress, Polo, Golf), Snowboarding and Ski Outerwear, Track suits, Sweat suits)
- **Delta Galil Industries** — *Israel HQ, Factories in U.S. and Europe* (Intimate Apparel, Socks, Activewear)
- **Eagle Nice International Holdings** — *Hong Kong HQ, Factories in Vietnam, China, and Indonesia* (Down Jackets, Sweaters, Sports Pants, Other Sportswear)
- Manufacturing Locations (298 Factories): China, Vietnam, Thailand, Indonesia, Sri Lanka, Pakistan, and Malaysia

Unaffiliated, Licensed Manufacturers and Vendors

Other Suppliers
- **Independent Contractors** — *Factories in China and Vietnam* (Air Sole Cushions)
- **Rubber and Fabric Supplies** (Rubber, Polyester, Cotton, Eva Foam, Synthetic Leather, and Leather)
- **Electric and Wiring Equipment, Software, and Programming**
- **Transportation** (Marine, Rail, Trucking, and Logistics)
- **Miscellaneous Manufacturing**

E-Commerce Retailers
- **Walmart.com** (Full line of NIKE footwear, apparel, equipment and accessories on its Walmart.com e-commerce site)
- **Amazon.com** (In 2019 NIKE shifted focus to DTC sales and ended the pilot wholesale program with Amazon due to its failure to eliminate counterfeits)

Outside Relationships

Customers

Securities Regulation and NYSE Listing Rules
Dividends and Common Stock Repurchases
Equity Capital
Professional Services
NIKE, Jordan, and Converse Brand Footwear, Apparel, and Equipment Sales
NIKE, Jordan, and Converse Brand Footwear, Apparel, and Equipment Sales
Direct NIKE, Jordan, and Converse Brand Footwear, Apparel, and Equipment Sales (via NIKE branded factory, in-line, employee-only, digital, and Converse stores)

Independent Distributors / Wholesalers
- Chinabrands
- Wholesale Sportswear
- Alibaba.com
- Nordstrom.com
- Wholesale NIKE Club
- Wow Wholesale
- Indiamart
- The Wholesaler
- TopTen Wholesale.com

Wholesale Sales

Retail Accounts
- Sporting Goods Stores (DICK'S Sporting Goods)
- Footwear Stores (Famous Footwear, Rack Room Shoes)
- Athletic Specialty Stores (Footlocker, Champs Sports, Finish Line, Athlete's Foot)
- Department Stores (Kohl's, JCPenney, Ross, TJMaxx, Nordstrom Rack, Macy's, Burlington)
- Golf Shops (PGA Tour Superstore)
- Tennis Shops (Tennis Warehouse)
- Skate Shops
- Other Shops

Retail Sales

NIKE and Converse Customers
- NIKE Brand Store Consumers
- Converse Brand Store Consumers
- NIKE Digital Sales Consumers
- Retail Store Consumers

Order Fulfillment

Professional Services
- Boies Schiller Flexner (Legal)
- PwC (Accounting)
- Ogilvy Government Relations, Cornerstone Government Affairs (Lobbying)
- Wieden+Kennedy (Advertising)

Capital

Significant Shareholders
- Preferred (0%)
- Sojitz Corporation of America (100%)
- Class A (20%)
- Swoosh LLC (74.9%)
- Travis Knight Irrevocable Trust II (12.9%)
- Philip Knight (9.3%)
- Class B (80%)
- Vanguard Group (7.74%)
- BlackRock (4.88%)
- SSgA Funds Management (4.3%)
- Travis Knight (3.2%)
- T. Rowe Price (2.3%)
- Institutional Ownership (83.28%)

Regulators

Securities Regulators
- US Securities and Exchange Commission (Securities Law, Disclosure and Reporting Requirements; Anti-Bribery Law Recordkeeping Regulation)
- New York Stock Exchange (Listing, Maintenance, and Corporate Accountability Rules)

Key Company Data

Share Information
- NYSE Ticker Symbol: NKE
- Earnings Per Share: $1.63
- Earnings Per Share: $2.14 (TTM)
- Recent Share Price: $160.11 (6/26/21)
- Forward Annual Dividend: $1.10
- Market Cap.: $252.97B (6/26/21)

Financial Highlights

Statement of Income
- Revenues: $37.4B
- Cost of Sales: $21.16B
- Gross Profit: $16.24B
- Demand Creation Expense: $3.59B
- Overhead Operating Expense: $9.53B
- Net Income: $2.54B

Balance Sheet
- Total Assets: $31.34B
- Total Liabilities: $23.28B
- Long-Term Debt: $9.41B
- Total Shareholders' Equity: $10.44B

Net Cash Flows
- Operations: $2.49B
- Investing: ($1.03B)
- Financing: $2.49B

Resources
- Total Employees: 75,400
- Trademarks registered in 170 jurisdictions
- Countries of Operations: 170+
- 1,091 Retail Stores

Facilities

Global and Regional HQs
- Nike World Campus, Beaverton, Oregon (Management, Research, Design, Development, Marketing, Finance, and Other Administrative)
- EMEA HQ Hilversum, Netherlands
- Greater China HQ Shanghai, China

Distribution Centers (81)
- Memphis, TN (4)
- Indianapolis, IN
- Dayton, TN
- Ontario, CA (Converse)
- Laakdal, Belgium
- Taicang, China
- Tomisato, Japan
- Incheon, S. Korea
- Suzhou, China

Other
- Air Manufacturing Innovation (Footwear Cushions)
- Suzhou, China

Recent Developments

E-commerce
With an 83% jump in online sales during the Covid-19 global pandemic, NIKE's direct-to-consumer (DTC) digital sales now comprise 30% of total sales, a target the company hit three years earlier than projected.

thinking
© 2021
www.onepagethinking.net

July 2021