

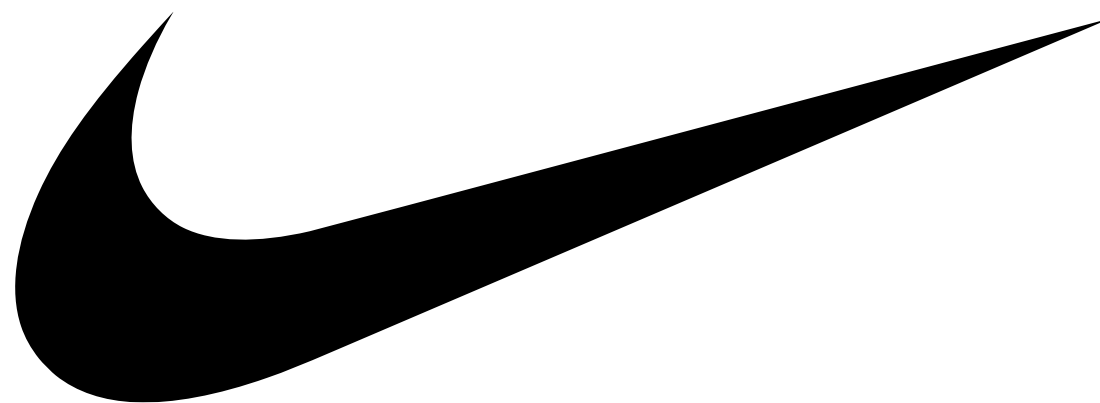
NIKE (US) Stock Pitch

Authors: Callum Donachie,
Callum Davidson, Ethan
Ajuna, Hiromu
Katsumata, Daniel Vanie

Current Share Price: \$63.69

Target Share Price: \$88.45

OAKWOOD



Company Overview

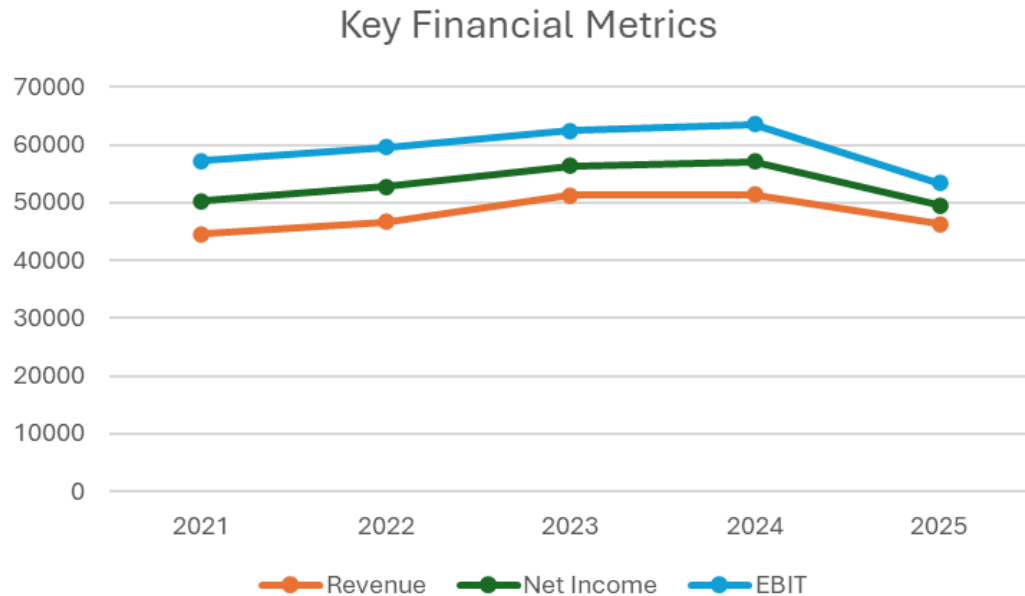
Nike is a global leader in athletic, casual footwear and accessories.

It designs, develops, markets, and sells products under its own name of Nike as well as under brand names such as Converse. Its portfolio spans athletic footwear, performance and lifestyle apparel, sports equipment, and accessories.

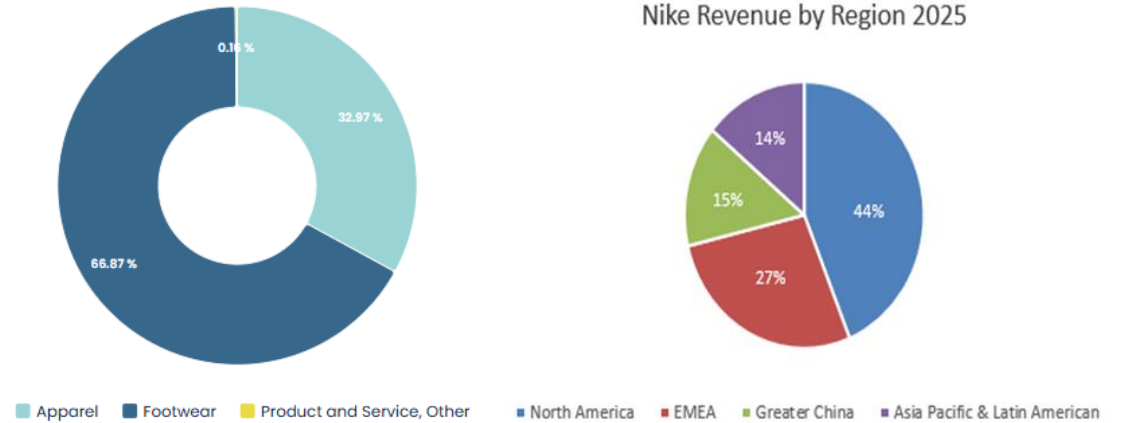
Its distribution can be direct or through wholesale to retail partners allowing cover of global markets (North America, Europe/EMEA and Latin America)

Largest Customers, Foot Locker, JD Sports, Walmart and Amazon

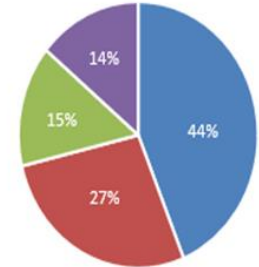
Revenue Total = US \$46.3 billion



Revenue by Industry 2025



Nike Revenue by Region 2025



Economies of scale:

- Its name gives it enormous fixed-cost leverage and bargaining power.
- Massive production volume leads to a lower cost per unit vs. smaller competitors.
- Supplier leverage, Nike secures better manufacturing terms, logistics rates, and priority in global supply chains.
- Marketing scale, Nike spends \$3–4B per year on demand creation, few competitors can match this.

Innovation and R&D:

- Proprietary technology, Air Max, ZoomX, React, Flyknit, Vaporfly and Dri-FIT
- Performance advantage, their running shoes, the Vaporfly series, disrupted the marathon-shoe industry.
- Integration of data, biomechanics, materials science

Industry overview

Industry universe

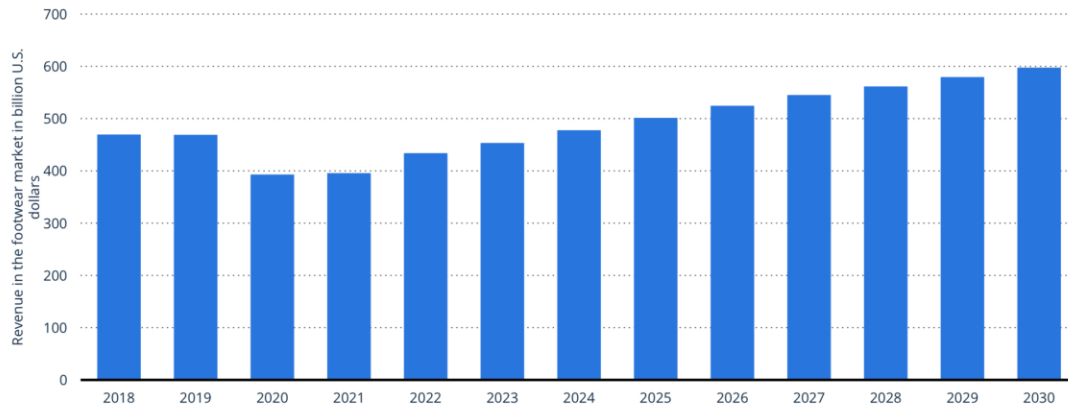
Sport Apparel & Footwear Industry >>> Oligopolistic

Demand of sportswear and increased fitness & health awareness

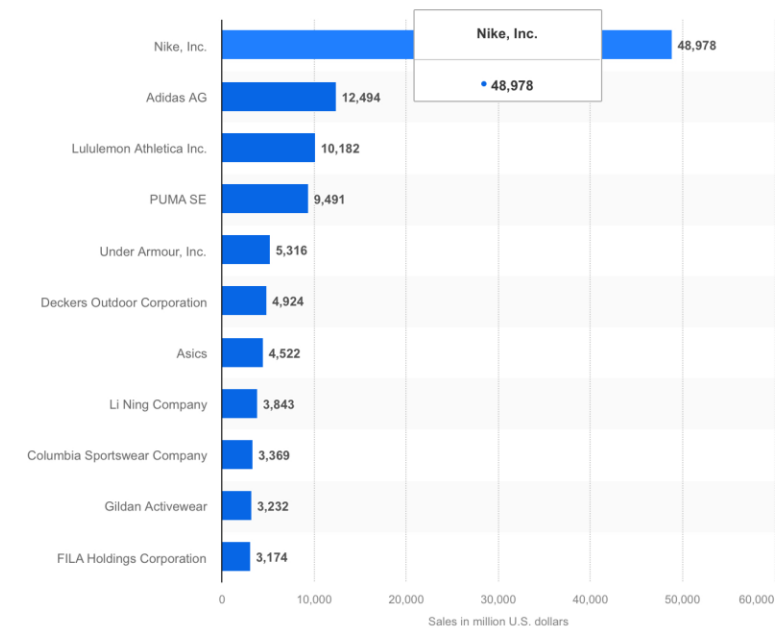
>>> Sustainable growth

Revenue in the footwear market worldwide from 2018 to 2030 (in billion U.S. dollars)

Revenue in the footwear market worldwide 2018-2030



Sales of sport apparel, footwear and accessory companies (2024)



Company positioning

Market share gained/maintained by ...

Brand strategy (athlete endorsements such as Jordan brand)

Market expansion to other sports market (golf)

Porter's 5 Forces

High rivalry

Moderate/low threat to new entries

Moderate threat to substitutes

Moderate bargaining power with buyers

Low with suppliers

Investment Thesis



The market is misreading Nike's short-term decline and ignoring its long-term strategic reset.



FY25 actions were intentional moves to rebuild brand strength and shift focus to performance innovation.



Innovation momentum is returning across Running, Women's Basketball and Football.



Rebalancing towards wholesale is easing markdown pressure and improving margins.

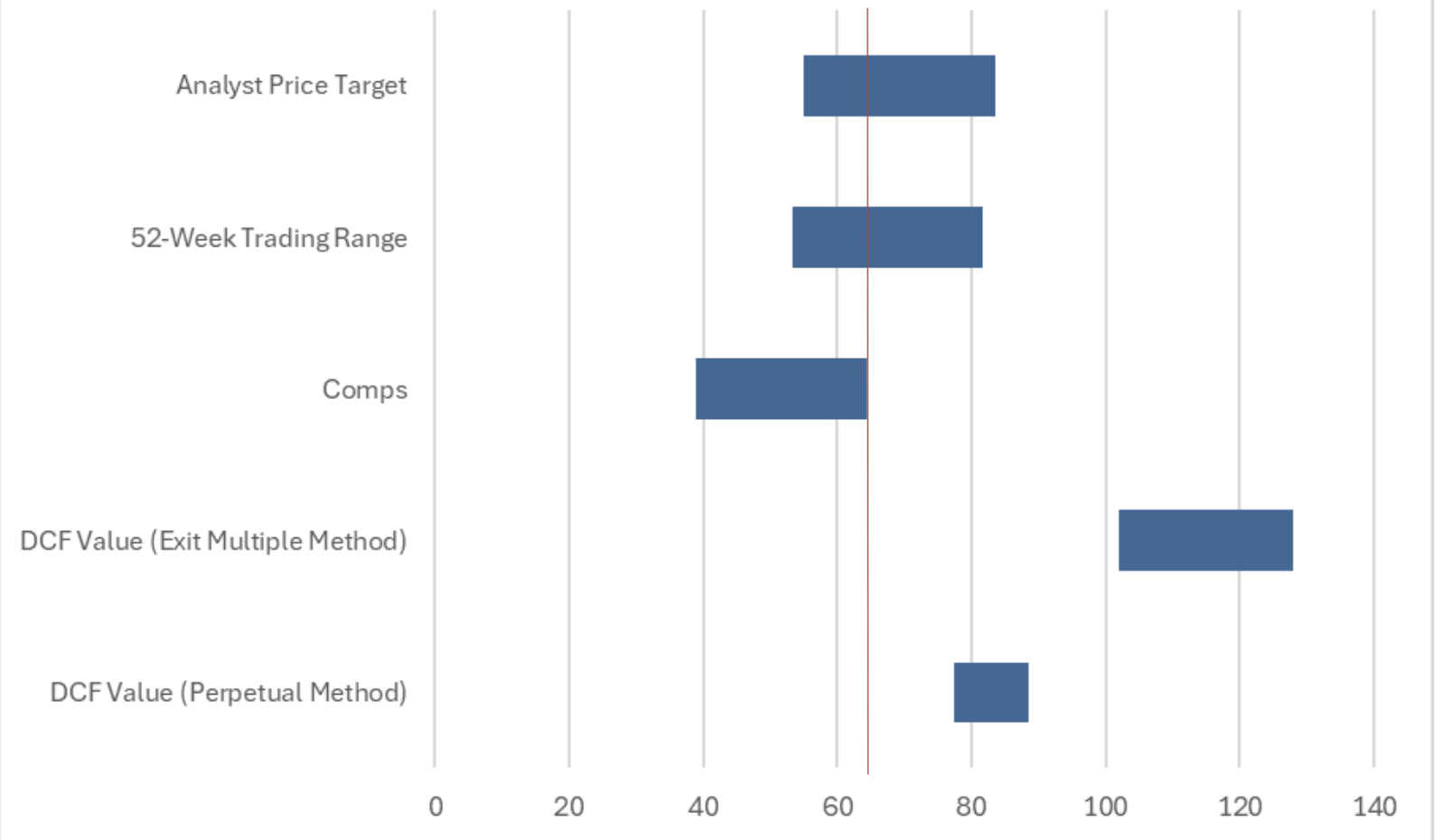


Nike's brand, distribution and growth drivers remain strong; FY25 was a reset, not a decline.

Financial Modelling

Football Field Valuation

Valuation of NKE US



WACC

8.670%

Target Prices (Perpetual Method)

Bear: \$77.41
Base: \$82.45
Bull: \$88.45

Target Prices (Exit Multiple Method)

Bear: \$102.10
Base: \$115.02
Bull: \$127.95

Catalysts

Catalyst 1

- ➡ Trump seeks to cut tax rates
- ➡ higher disposable income for consumers
- ➡ more spending on non-essential goods(which Nike thrive in)
- ➡ increase willingness to invest in the Nike stock due to increase profitability

Catalyst 2

- ➡ Trumps attempt to depreciate the us dollar
- ➡ exports become cheaper
- ➡ higher foreign sales
- ➡ increase in foreign investors more willing to invest into the stock



Risks and Mitigants

Risk 1:

- > Increased reliance in Chinas economy and due to macro slowdown
- >weak consumer spending
- >negatively effects the Nike stock for investors



Mitigant 1:

Diversify to other countries to reduce the reliance on only China (such as Vietnam)

Risk 2:

- >Trumps tariffs
- >extra tax given to Nike items when being exported
- >weak demand
- >risk to revenue
- >negative to the stock



Mitigant 2:

Move more production to countries not applicable to US tariffs

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