UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE QUARTERLY PERIOD ENDED NOVEMBER 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE TRANSITION PERIOD FROM TO .

Commission File No. 1-10635

NIKE, Inc.

(Exact name of Registrant as specified in its charter)

Oregon	**93-0584541**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

One Bowerman Drive , Beaverton , Oregon 97005-6453
(Address of principal executive offices and zip code)

(503) 671-6453
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Class B Common Stock	**NKE**	**New York Stock Exchange**
(Title of each class)	*(Trading symbol)*	*(Name of each exchange on which registered)*

Indicate by check mark:	**YES**	**NO**
• whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.	þ	☐
• whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).	þ	☐
• whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.		
Large accelerated filer þ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐		
• if an emerging growth company, if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.	☐	
• whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).	☐	þ

As of December 28, 2023, the number of shares of the Registrant's Common Stock outstanding were:

Class A	297,897,252
Class B	1,217,224,816
	1,515,122,068

Table of Contents

NIKE, INC.
FORM 10-Q
TABLE OF CONTENTS

Table of Contents

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NIKE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	THREE MONTHS ENDED NOVEMBER 30,		SIX MONTHS ENDED NOVEMBER 30,	
(In millions, except per share data)	**2023**	**2022**	**2023**	**2022**
Revenues	$ 13,388	$ 13,315	$ 26,327	$ 26,002
Cost of sales	7,417	7,604	14,636	14,676
Gross profit	5,971	5,711	11,691	11,326
Demand creation expense	1,114	1,102	2,183	2,045
Operating overhead expense	3,032	3,022	6,079	5,999
Total selling and administrative expense	4,146	4,124	8,262	8,044
Interest expense (income), net	(22)	16	(56)	29
Other (income) expense, net	(75)	(79)	(85)	(225)
Income before income taxes	1,922	1,650	3,570	3,478
Income tax expense	344	319	542	679
NET INCOME	**$ 1,578**	**$ 1,331**	**$ 3,028**	**$ 2,799**
Earnings per common share:				
Basic	$ 1.04	$ 0.85	$ 1.99	$ 1.79
Diluted	$ 1.03	$ 0.85	$ 1.97	$ 1.77
Weighted average common shares outstanding:				
Basic	1,520.8	1,559.0	1,524.6	1,563.1
Diluted	1,532.1	1,572.4	1,537.7	1,579.1

The accompanying Notes to the Unaudited Condensed Consolidated Financial Statements are an integral part of this statement.

NIKE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	THREE MONTHS ENDED NOVEMBER 30,		SIX MONTHS ENDED NOVEMBER 30,	
(Dollars in millions)	**2023**	**2022**	**2023**	**2022**
Net income	$ 1,578	$ 1,331	$ 3,028	$ 2,799
Other comprehensive income (loss), net of tax:				
Change in net foreign currency translation adjustment	39	354	75	128
Change in net gains (losses) on cash flow hedges	(55)	(401)	(189)	154
Change in net gains (losses) on other	1	(30)	4	(41)
Total other comprehensive income (loss), net of tax	(15)	(77)	(110)	241
TOTAL COMPREHENSIVE INCOME	**$ 1,563**	**$ 1,254**	**$ 2,918**	**$ 3,040**

The accompanying Notes to the Unaudited Condensed Consolidated Financial Statements are an integral part of this statement.

NIKE, INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions)	NOVEMBER 30, 2023	MAY 31, 2023
ASSETS		
Current assets:		
Cash and equivalents	$ 7,919	$ 7,441
Short-term investments	2,008	3,234
Accounts receivable, net	4,782	4,131
Inventories	7,979	8,454
Prepaid expenses and other current assets	1,943	1,942
Total current assets	24,631	25,202
Property, plant and equipment, net	5,153	5,081
Operating lease right-of-use assets, net	2,943	2,923
Identifiable intangible assets, net	269	274
Goodwill	281	281
Deferred income taxes and other assets	3,926	3,770
TOTAL ASSETS	**$ 37,203**	**$ 37,531**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ —	$ —
Notes payable	6	6
Accounts payable	2,709	2,862
Current portion of operating lease liabilities	456	425
Accrued liabilities	5,470	5,723
Income taxes payable	358	240
Total current liabilities	8,999	9,256
Long-term debt	8,930	8,927
Operating lease liabilities	2,785	2,786
Deferred income taxes and other liabilities	2,343	2,558
Commitments and contingencies (Note 11)		
Redeemable preferred stock	—	—
Shareholders' equity:		
Common stock at stated value:		
Class A convertible — 298 and 305 shares outstanding	—	—
Class B — 1,219 and 1,227 shares outstanding	3	3
Capital in excess of stated value	12,871	12,412
Accumulated other comprehensive income (loss)	121	231
Retained earnings	1,151	1,358
Total shareholders' equity	14,146	14,004
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 37,203**	**$ 37,531**

The accompanying Notes to the Unaudited Condensed Consolidated Financial Statements are an integral part of this statement.

NIKE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	SIX MONTHS ENDED NOVEMBER 30,	
(Dollars in millions)	2023	2022
Cash provided (used) by operations:		
Net income	$ 3,028	$ 2,799
Adjustments to reconcile net income to net cash provided (used) by operations:		
Depreciation	382	342
Deferred income taxes	(144)	(150)
Stock-based compensation	402	364
Amortization, impairment and other	(12)	137
Net foreign currency adjustments	(43)	(125)
Changes in certain working capital components and other assets and liabilities:		
(Increase) decrease in accounts receivable	(649)	(878)
(Increase) decrease in inventories	493	(948)
(Increase) decrease in prepaid expenses, operating lease right-of-use assets and other current and non-current assets	(394)	(239)
Increase (decrease) in accounts payable, accrued liabilities, operating lease liabilities and other current and non-current liabilities	(312)	56
Cash provided (used) by operations	2,751	1,358
Cash provided (used) by investing activities:		
Purchases of short-term investments	(2,206)	(3,500)
Maturities of short-term investments	1,477	1,951
Sales of short-term investments	2,072	1,972
Additions to property, plant and equipment	(458)	(500)
Other investing activities	(10)	54
Cash provided (used) by investing activities	875	(23)
Cash provided (used) by financing activities:		
Increase (decrease) in notes payable, net	—	(3)
Proceeds from exercise of stock options and other stock issuances	327	260
Repurchase of common stock	(2,331)	(2,550)
Dividends — common and preferred	(1,047)	(960)
Other financing activities	(100)	(68)
Cash provided (used) by financing activities	(3,151)	(3,321)
Effect of exchange rate changes on cash and equivalents	3	(98)
Net increase (decrease) in cash and equivalents	478	(2,084)
Cash and equivalents, beginning of period	7,441	8,574
CASH AND EQUIVALENTS, END OF PERIOD	**$ 7,919**	**$ 6,490**
Supplemental disclosure of cash flow information:		
Non-cash additions to property, plant and equipment	$ 165	$ 124
Dividends declared and not paid	565	526

The accompanying Notes to the Unaudited Condensed Consolidated Financial Statements are an integral part of this statement.

NIKE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	COMMON STOCK				CAPITAL IN EXCESS OF STATED VALUE	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	RETAINED EARNINGS	TOTAL
	CLASS A		CLASS B					
(In millions, except per share data)	SHARES	AMOUNT	SHARES	AMOUNT				
Balance at August 31, 2023	**298**	**$ —**	**1,226**	**$ 3**	**$ 12,590**	**$ 136**	**$ 1,242**	**$ 13,971**
Stock options exercised			2		106			106
Repurchase of Class B Common Stock			(12)		(99)		(1,110)	(1,209)
Dividends on common stock ($ 0.370 per share)							(565)	(565)
Issuance of shares to employees, net of shares withheld for employee taxes			3		68		6	74
Stock-based compensation					206			206
Net income							1,578	1,578
Other comprehensive income (loss)						(15)		(15)
Balance at November 30, 2023	**298**	**$ —**	**1,219**	**$ 3**	**$ 12,871**	**$ 121**	**$ 1,151**	**$ 14,146**

	COMMON STOCK				CAPITAL IN EXCESS OF STATED VALUE	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	RETAINED EARNINGS	TOTAL
	CLASS A		CLASS B					
(In millions, except per share data)	SHARES	AMOUNT	SHARES	AMOUNT				
Balance at August 31, 2022	**305**	**$ —**	**1,259**	**$ 3**	**$ 11,648**	**$ 636**	**$ 3,535**	**$ 15,822**
Stock options exercised			1		69			69
Repurchase of Class B Common Stock			(17)		(123)		(1,484)	(1,607)
Dividends on common stock ($ 0.340 per share)							(526)	(526)
Issuance of shares to employees, net of shares withheld for employee taxes			2		63		3	66
Stock-based compensation					194			194
Net income							1,331	1,331
Other comprehensive income (loss)						(77)		(77)
Balance at November 30, 2022	**305**	**$ —**	**1,245**	**$ 3**	**$ 11,851**	**$ 559**	**$ 2,859**	**$ 15,272**

	COMMON STOCK				CAPITAL IN EXCESS OF STATED VALUE	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	RETAINED EARNINGS	TOTAL
	CLASS A		CLASS B					
(In millions, except per share data)	SHARES	AMOUNT	SHARES	AMOUNT				
Balance at May 31, 2023	**305**	**$ —**	**1,227**	**$ 3**	**$ 12,412**	**$ 231**	**$ 1,358**	**$ 14,004**
Stock options exercised			4		212			212
Conversion to Class B Common Stock	(7)		7					—
Repurchase of Class B Common Stock			(22)		(184)		(2,157)	(2,341)
Dividends on common stock ($ 0.710 per share) and preferred stock ($ 0.10 per share)							(1,084)	(1,084)
Issuance of shares to employees, net of shares withheld for employee taxes			3		29		6	35
Stock-based compensation					402			402
Net income							3,028	3,028
Other comprehensive income (loss)						(110)		(110)
Balance at November 30, 2023	**298**	**$ —**	**1,219**	**$ 3**	**$ 12,871**	**$ 121**	**$ 1,151**	**$ 14,146**

(In millions, except per share data)	COMMON STOCK CLASS A SHARES	COMMON STOCK CLASS A AMOUNT	COMMON STOCK CLASS B SHARES	COMMON STOCK CLASS B AMOUNT	CAPITAL IN EXCESS OF STATED VALUE	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	RETAINED EARNINGS	TOTAL
Balance at May 31, 2022	**305**	**$ —**	**1,266**	**$ 3**	**$ 11,484**	**$ 318**	**$ 3,476**	**$ 15,281**
Stock options exercised			3		149			149
Repurchase of Class B Common Stock			(26)		(189)		(2,409)	(2,598)
Dividends on common stock ($ 0.645 per share) and preferred stock ($ 0.10 per share)							(1,008)	(1,008)
Issuance of shares to employees, net of shares withheld for employee taxes			2		43		1	44
Stock-based compensation					364			364
Net income							2,799	2,799
Other comprehensive income (loss)						241		241
Balance at November 30, 2022	**305**	**$ —**	**1,245**	**$ 3**	**$ 11,851**	**$ 559**	**$ 2,859**	**$ 15,272**

The accompanying Notes to the Unaudited Condensed Consolidated Financial Statements are an integral part of this statement.

Table of Contents

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The Unaudited Condensed Consolidated Financial Statements include the accounts of NIKE, Inc. and its subsidiaries (the "Company" or "NIKE") and reflect all normal recurring adjustments which are, in the opinion of management, necessary for a fair statement of the results of operations for the interim period. The year-end Condensed Consolidated Balance Sheet data as of May 31, 2023, was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America ("U.S. GAAP"). The interim financial information and notes thereto should be read in conjunction with the Company's latest Annual Report on Form 10-K for the fiscal year ended May 31, 2023 (the "Annual Report"). The results of operations for the three and six months ended November 30, 2023, are not necessarily indicative of results to be expected for the entire fiscal year.

RECENTLY ISSUED ACCOUNTING STANDARDS

In November 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The amendments will require public entities to disclose significant segment expenses that are regularly provided to the chief operating decision maker and included within segment profit and loss. The amendments are effective for the Company's annual periods beginning June 1, 2024, and interim periods beginning June 1, 2025, with early adoption permitted, and will be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the ASU to determine its impact on the Company's disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The amendments are effective for the Company's annual periods beginning June 1, 2025, with early adoption permitted, and should be applied either prospectively or retrospectively. The Company is currently evaluating the ASU to determine its impact on the Company's disclosures.

RECENTLY ADOPTED ACCOUNTING STANDARDS

In September 2022, the FASB issued ASU 2022-04, Liabilities — Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations. The new guidance requires qualitative and quantitative disclosure sufficient to enable users of the financial statements to understand the nature, activity during the period, changes from period to period and potential magnitude of such programs. The Company adopted the required guidance in the first quarter of fiscal 2024.

Certain financial institutions offer voluntary supplier finance programs facilitated through a third-party platform that provide participating suppliers the option to finance valid payment obligations from the Company. The Company is not a party to agreements negotiated between participating suppliers and third-party financial institutions. The Company's obligations to its suppliers, including amounts due and payment terms, are not affected by a supplier's decision to participate in these programs and the Company does not provide guarantees to third parties in connection with these programs. As of November 30, 2023 and May 31, 2023, the Company had $ 819 million and $ 834 million, respectively, of outstanding supplier obligations confirmed as valid under these programs. These amounts are included within Accounts payable on the Unaudited Condensed Consolidated Balance Sheets.

Table of Contents

NOTE 2 — ACCRUED LIABILITIES

Accrued liabilities included the following:

(Dollars in millions)	NOVEMBER 30, 2023	MAY 31, 2023
Compensation and benefits, excluding taxes	$ 1,254	$ 1,737
Sales-related reserves	1,130	994
Dividends payable	568	529
Taxes other than income taxes payable	499	377
Endorsement compensation	415	552
Other	1,604	1,534
TOTAL ACCRUED LIABILITIES	**$ 5,470**	**$ 5,723**

NOTE 3 — FAIR VALUE MEASUREMENTS

The Company measures certain financial assets and liabilities at fair value on a recurring basis, including derivatives, equity securities and available-for-sale debt securities. For additional information about the Company's fair value policies, refer to Note 1 — Summary of Significant Accounting Policies within the Annual Report.

The following tables present information about the Company's financial assets measured at fair value on a recurring basis as of November 30, 2023 and May 31, 2023, and indicate the level in the fair value hierarchy in which the Company classifies the fair value measurement:

	NOVEMBER 30, 2023		
(Dollars in millions)	ASSETS AT FAIR VALUE	CASH AND EQUIVALENTS	SHORT-TERM INVESTMENTS
Cash	$ 1,603	$ 1,603	$ —
Level 1:			
U.S. Treasury securities	1,420	—	1,420
Level 2:			
Commercial paper and bonds	550	18	532
Money market funds	5,653	5,653	—
Time deposits	652	645	7
U.S. Agency securities	49	—	49
Total Level 2	6,904	6,316	588
TOTAL	**$ 9,927**	**$ 7,919**	**$ 2,008**

	MAY 31, 2023		
(Dollars in millions)	ASSETS AT FAIR VALUE	CASH AND EQUIVALENTS	SHORT-TERM INVESTMENTS
Cash	$ 1,767	$ 1,767	$ —
Level 1:			
U.S. Treasury securities	2,655	—	2,655
Level 2:			
Commercial paper and bonds	543	15	528
Money market funds	5,157	5,157	—
Time deposits	507	502	5
U.S. Agency securities	46	—	46
Total Level 2	6,253	5,674	579
TOTAL	**$ 10,675**	**$ 7,441**	**$ 3,234**

As of November 30, 2023, the Company held $ 1,316 million of available-for-sale debt securities with maturity dates within one year and $ 692 million with maturity dates greater than one year and less than five years in Short-term investments on the Unaudited Condensed Consolidated Balance Sheets. The fair value of the Company's available-for-sale debt securities approximates their amortized cost.

Included in Interest expense (income), net was interest income related to the Company's investment portfolio of $ 92 million and $ 49 million for the three months ended November 30, 2023 and 2022, respectively, and $ 191 million and $ 114 million for the six months ended November 30, 2023 and 2022, respectively.

The following tables present information about the Company's derivative assets and liabilities measured at fair value on a recurring basis and indicate the level in the fair value hierarchy in which the Company classifies the fair value measurement:

	NOVEMBER 30, 2023					
	DERIVATIVE ASSETS			DERIVATIVE LIABILITIES		
(Dollars in millions)	ASSETS AT FAIR VALUE	OTHER CURRENT ASSETS	OTHER LONG-TERM ASSETS	LIABILITIES AT FAIR VALUE	ACCRUED LIABILITIES	OTHER LONG-TERM LIABILITIES
Level 2:						
Foreign exchange forwards and options[(1)]	$ 371	$ 322	$ 49	$ 202	$ 162	$ 40

(1) If the foreign exchange derivative instruments had been netted on the Unaudited Condensed Consolidated Balance Sheets, the asset and liability positions each would have been reduced by $ 180 million as of November 30, 2023. As of that date, no amount of cash collateral had been received or posted on the derivative asset and liability balances related to these foreign exchange derivative instruments.

	MAY 31, 2023					
	DERIVATIVE ASSETS			DERIVATIVE LIABILITIES		
(Dollars in millions)	ASSETS AT FAIR VALUE	OTHER CURRENT ASSETS	OTHER LONG-TERM ASSETS	LIABILITIES AT FAIR VALUE	ACCRUED LIABILITIES	OTHER LONG-TERM LIABILITIES
Level 2:						
Foreign exchange forwards and options[(1)]	$ 557	$ 493	$ 64	$ 180	$ 128	$ 52

(1) If the foreign exchange derivative instruments had been netted on the Consolidated Balance Sheets, the asset and liability positions each would have been reduced by $ 178 million as of May 31, 2023. As of that date, the Company received $ 36 million of cash collateral from counterparties related to foreign exchange derivative instruments. No amount of collateral was posted on the derivative liability balance as of May 31, 2023.

For additional information related to the Company's derivative financial instruments and credit risk, refer to Note 7 — Risk Management and Derivatives.

The carrying amounts of other current financial assets and other current financial liabilities approximate fair value.

FINANCIAL ASSETS AND LIABILITIES NOT RECORDED AT FAIR VALUE

The Company's Long-term debt is recorded at adjusted cost, net of unamortized premiums, discounts and debt issuance costs. The fair value of long-term debt is estimated based upon quoted prices for similar instruments or quoted prices for identical instruments in inactive markets (Level 2). The fair value of the Company's Long-term debt, including the current portion, was approximately $ 7,744 million at November 30, 2023 and $ 7,889 million at May 31, 2023.

The carrying amounts reflected on the Unaudited Condensed Consolidated Balance Sheets for Notes payable approximate fair value.

NOTE 4 — INCOME TAXES

The effective tax rate was 15.2 % and 19.5 % for the six months ended November 30, 2023 and 2022, respectively. The decrease in the Company's effective tax rate was primarily due to one-time benefits including the impact of temporary relief provided by the Internal Revenue Service ("IRS") relating to U.S. foreign tax credit regulations. On July 21, 2023, the IRS issued Notice 2023-55 which specifically delayed the application of certain U.S. foreign tax credit regulations that had previously limited the Company's ability to claim credits on certain foreign taxes for the fiscal year ended May 31, 2023. As a result of this new guidance, the Company recognized a one-time tax benefit related to prior year tax positions in the first three months of fiscal 2024. Other one-time benefits included a reduction in accrued withholding taxes on undistributed foreign earnings recognized in the second quarter of fiscal 2024.

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act of 2022 that included, among other provisions, changes to the U.S. corporate income tax system, including a fifteen percent minimum tax based on "adjusted financial statement income," which was effective for the Company beginning June 1, 2023. Based on the Company's current analysis of the provisions, these tax law changes are not expected to have a material impact on the Company's financial statements for fiscal 2024.

As of November 30, 2023, total gross unrecognized tax benefits, excluding related interest and penalties, were $ 931 million, $ 649 million of which would affect the Company's effective tax rate if recognized in future periods. The majority of the total gross unrecognized tax benefits are long-term in nature and included within Deferred income taxes and other liabilities on the Unaudited Condensed Consolidated Balance Sheets. As of May 31, 2023, total gross unrecognized tax benefits, excluding related interest and penalties, were $ 936 million. As of November 30, 2023 and May 31, 2023, accrued interest and penalties related to uncertain tax positions were $ 287 million and $ 268 million, respectively, (excluding federal benefit) and included within Deferred income taxes and other liabilities on the Unaudited Condensed Consolidated Balance Sheets.

The Company is subject to taxation in the U.S., as well as various state and foreign jurisdictions. The Company is currently under audit by the U.S. IRS for fiscal years 2017 through 2019. The Company has closed all U.S. federal income tax matters through fiscal 2016, with the exception of certain transfer pricing adjustments.

Tax years after 2011 remain open in certain major foreign jurisdictions. Although the timing of resolution of audits is not certain, the Company evaluates all domestic and foreign audit issues in the aggregate, along with the expiration of applicable statutes of limitations, and estimates that it is reasonably possible the total gross unrecognized tax benefits could decrease by up to $ 30 million within the next 12 months. In January 2019, the European Commission opened a formal investigation to examine whether the Netherlands has breached State Aid rules when granting certain tax rulings to the Company. The Company believes the investigation is without merit. If this matter is adversely resolved, the Netherlands may be required to assess additional amounts with respect to prior periods, and the Company's income taxes related to prior periods in the Netherlands could increase.

NOTE 5 — STOCK-BASED COMPENSATION

STOCK-BASED COMPENSATION

The NIKE, Inc. Stock Incentive Plan (the "Stock Incentive Plan") provides for the issuance of up to 798 million previously unissued shares of Class B Common Stock in connection with equity awards granted under the Stock Incentive Plan. The Stock Incentive Plan authorizes the grant of non-statutory stock options, incentive stock options, stock appreciation rights and stock awards, including restricted stock and restricted stock units. Restricted stock units include both time-vesting restricted stock units ("RSUs") as well as performance-based restricted stock units ("PSUs"). In addition to the Stock Incentive Plan, the Company gives employees the right to purchase shares at a discount from the market price under employee stock purchase plans ("ESPPs"). For additional information, refer to Note 9 — Common Stock and Stock-Based Compensation within the Annual Report.

The following table summarizes the Company's total stock-based compensation expense recognized in Cost of sales or Operating overhead expense, as applicable:

	THREE MONTHS ENDED NOVEMBER 30,		SIX MONTHS ENDED NOVEMBER 30,	
(Dollars in millions)	2023	2022	2023	2022
Stock options[1]	$ 88	$ 79	$ 164	$ 154
ESPPs	17	18	38	33
Restricted stock and restricted stock units[2]	101	97	200	177
TOTAL STOCK-BASED COMPENSATION EXPENSE	**$ 206**	**$ 194**	**$ 402**	**$ 364**

(1) Expense for stock options includes the expense associated with stock appreciation rights.

(2) Restricted stock units include RSUs and PSUs.

The income tax benefit related to stock-based compensation expense was $ 1 million and $ 2 million for the three months ended November 30, 2023 and 2022, respectively, and $ 18 million and $ 22 million for the six months ended November 30, 2023 and 2022, respectively, and reported within Income tax expense.

STOCK OPTIONS

As of November 30, 2023, the Company had $ 621 million of unrecognized compensation costs from stock options, net of estimated forfeitures, to be recognized in Cost of sales or Operating overhead expense, as applicable, over a weighted average remaining period of 2.7 years.

RESTRICTED STOCK AND RESTRICTED STOCK UNITS

As of November 30, 2023, the Company had $ 859 million of unrecognized compensation costs from restricted stock and restricted stock units, net of estimated forfeitures, to be recognized in Cost of sales or Operating overhead expense, as applicable, over a weighted average remaining period of 2.7 years.

NOTE 6 — EARNINGS PER SHARE

The following is a reconciliation from basic earnings per common share to diluted earnings per common share. The computations of diluted earnings per common share exclude restricted stock, restricted stock units and options, including shares under ESPPs, to purchase an estimated additional 46.2 million and 38.0 million shares of common stock outstanding for the three months ended November 30, 2023 and 2022, respectively, and 43.5 million and 35.1 million shares of common stock outstanding for the six months ended November 30, 2023 and 2022, respectively, because the awards were assumed to be anti-dilutive.

	THREE MONTHS ENDED NOVEMBER 30,		SIX MONTHS ENDED NOVEMBER 30,	
(In millions, except per share data)	2023	2022	2023	2022
Net income available to common stockholders	$ 1,578	$ 1,331	$ 3,028	$ 2,799
Determination of shares:				
Weighted average common shares outstanding	1,520.8	1,559.0	1,524.6	1,563.1
Assumed conversion of dilutive stock options and awards	11.3	13.4	13.1	16.0
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	**1,532.1**	**1,572.4**	**1,537.7**	**1,579.1**
Earnings per common share:				
Basic	$ 1.04	$ 0.85	$ 1.99	$ 1.79
Diluted	$ 1.03	$ 0.85	$ 1.97	$ 1.77

NOTE 7 — RISK MANAGEMENT AND DERIVATIVES

The Company is exposed to global market risks, including the effect of changes in foreign currency exchange rates and interest rates, and uses derivatives to manage financial exposures that occur in the normal course of business. As of and for the six months ended November 30, 2023, there have been no material changes to the Company's hedging program or strategy from what was disclosed within the Annual Report. For additional information about the Company's derivatives and hedging policies, refer to Note 1 — Summary of Significant Accounting Policies and Note 12 — Risk Management and Derivatives within the Annual Report.

The majority of derivatives outstanding as of November 30, 2023, are designated as foreign currency cash flow hedges, primarily for Euro/U.S. Dollar, British Pound/Euro, Chinese Yuan/U.S. Dollar and Japanese Yen/U.S. Dollar currency pairs. All derivatives are recognized on the Unaudited Condensed Consolidated Balance Sheets at fair value and classified based on the instrument's maturity date.

The following tables present the fair values of derivative instruments included within the Unaudited Condensed Consolidated Balance Sheets:

	DERIVATIVE ASSETS		
		NOVEMBER 30,	**MAY 31,**
(Dollars in millions)	**BALANCE SHEET LOCATION**	**2023**	**2023**
Derivatives formally designated as hedging instruments:			
Foreign exchange forwards and options	Prepaid expenses and other current assets	$ 309	$ 480
Foreign exchange forwards and options	Deferred income taxes and other assets	49	64
Total derivatives formally designated as hedging instruments		358	544
Derivatives not designated as hedging instruments:			
Foreign exchange forwards and options	Prepaid expenses and other current assets	13	13
Total derivatives not designated as hedging instruments		13	13
TOTAL DERIVATIVE ASSETS		**$ 371**	**$ 557**

	DERIVATIVE LIABILITIES		
		NOVEMBER 30,	**MAY 31,**
(Dollars in millions)	**BALANCE SHEET LOCATION**	**2023**	**2023**
Derivatives formally designated as hedging instruments:			
Foreign exchange forwards and options	Accrued liabilities	$ 138	$ 93
Foreign exchange forwards and options	Deferred income taxes and other liabilities	40	52
Total derivatives formally designated as hedging instruments		178	145
Derivatives not designated as hedging instruments:			
Foreign exchange forwards and options	Accrued liabilities	24	35
Total derivatives not designated as hedging instruments		24	35
TOTAL DERIVATIVE LIABILITIES		**$ 202**	**$ 180**

The following tables present the amounts affecting the Unaudited Condensed Consolidated Statements of Income:

(Dollars in millions)	AMOUNT OF GAIN (LOSS) RECOGNIZED IN OTHER COMPREHENSIVE INCOME (LOSS) ON DERIVATIVES(1) THREE MONTHS ENDED NOVEMBER 30, 2023	2022	AMOUNT OF GAIN (LOSS) RECLASSIFIED FROM ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) INTO INCOME(1) LOCATION OF GAIN (LOSS) RECLASSIFIED FROM ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) INTO INCOME	THREE MONTHS ENDED NOVEMBER 30, 2023	2022
Derivatives designated as cash flow hedges:					
Foreign exchange forwards and options	$ (5)	$ (3)	Revenues	$ 2	$ 4
Foreign exchange forwards and options	21	(101)	Cost of sales	65	173
Foreign exchange forwards and options	2	2	Demand creation expense	—	(2)
Foreign exchange forwards and options	39	(47)	Other (income) expense, net	51	125
Interest rate swaps(2)	—	—	Interest expense (income), net	(2)	(2)
TOTAL DESIGNATED CASH FLOW HEDGES	**$ 57**	**$ (149)**		**$ 116**	**$ 298**

(1) For the three months ended November 30, 2023 and 2022, the amounts recorded in Other (income) expense, net as a result of the discontinuance of cash flow hedges because the forecasted transactions were no longer probable of occurring were immaterial.

(2) Gains and losses associated with terminated interest rate swaps, which were previously designated as cash flow hedges and recorded in Accumulated other comprehensive income (loss), will be released through Interest expense (income), net over the term of the issued debt.

(Dollars in millions)	AMOUNT OF GAIN (LOSS) RECOGNIZED IN OTHER COMPREHENSIVE INCOME (LOSS) ON DERIVATIVES(1) SIX MONTHS ENDED NOVEMBER 30, 2023	2022	AMOUNT OF GAIN (LOSS) RECLASSIFIED FROM ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) INTO INCOME(1) LOCATION OF GAIN (LOSS) RECLASSIFIED FROM ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) INTO INCOME	SIX MONTHS ENDED NOVEMBER 30, 2023	2022
Derivatives designated as cash flow hedges:					
Foreign exchange forwards and options	$ (23)	$ 22	Revenues	$ 3	$ (5)
Foreign exchange forwards and options	19	386	Cost of sales	151	282
Foreign exchange forwards and options	2	(3)	Demand creation expense	—	(3)
Foreign exchange forwards and options	29	246	Other (income) expense, net	86	207
Interest rate swaps(2)	—	—	Interest expense (income), net	(4)	(4)
TOTAL DESIGNATED CASH FLOW HEDGES	**$ 27**	**$ 651**		**$ 236**	**$ 477**

(1) For the six months ended November 30, 2023 and 2022, the amounts recorded in Other (income) expense, net as a result of the discontinuance of cash flow hedges because the forecasted transactions were no longer probable of occurring were immaterial.

(2) Gains and losses associated with terminated interest rate swaps, which were previously designated as cash flow hedges and recorded in Accumulated other comprehensive income (loss), will be released through Interest expense (income), net over the term of the issued debt.

(Dollars in millions)	AMOUNT OF GAIN (LOSS) RECOGNIZED IN INCOME ON DERIVATIVES				LOCATION OF GAIN (LOSS) RECOGNIZED IN INCOME ON DERIVATIVES
	THREE MONTHS ENDED NOVEMBER 30,		SIX MONTHS ENDED NOVEMBER 30,		
	2023	2022	2023	2022	
Derivatives not designated as hedging instruments:					
Foreign exchange forwards and options and embedded derivatives	$ 17	$ 17	$ (10)	$ 78	Other (income) expense, net

CASH FLOW HEDGES

The total notional amount of outstanding foreign currency derivatives designated as cash flow hedges was approximately $ 17.7 billion as of November 30, 2023. Approximately $ 252 million of deferred net gains (net of tax) on both outstanding and matured derivatives in Accumulated other comprehensive income (loss) as of November 30, 2023, are expected to be reclassified to Net income during the next 12 months concurrent with the underlying hedged transactions also being recorded in Net income. Actual amounts ultimately reclassified to Net income are dependent on the exchange rates in effect when derivative contracts currently outstanding mature. As of November 30, 2023, the maximum term over which the Company hedges exposures to the variability of cash flows for its forecasted transactions was 27 months.

UNDESIGNATED DERIVATIVE INSTRUMENTS

The total notional amount of outstanding undesignated derivative instruments was $ 4.6 billion as of November 30, 2023.

CREDIT RISK

As of November 30, 2023, the Company was in compliance with all credit risk-related contingent features, and derivative instruments with such features were in a net asset position of approximately $ 169 million. Accordingly, the Company was not required to post cash collateral as a result of these contingent features. Further, no collateral was received on the Company's derivative asset balance as of November 30, 2023. The Company considers the impact of the risk of counterparty default to be immaterial.

For additional information related to the Company's derivative financial instruments and collateral, refer to Note 3 — Fair Value Measurements .

NOTE 8 — ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The changes in Accumulated other comprehensive income (loss), net of tax, were as follows:

(Dollars in millions)	FOREIGN CURRENCY TRANSLATION ADJUSTMENT[1]	CASH FLOW HEDGES	NET INVESTMENT HEDGES[1]	OTHER	TOTAL
Balance at August 31, 2023	**$ (217)**	**$ 297**	**$ 115**	**$ (59)**	**$ 136**
Other comprehensive income (loss):					
Other comprehensive gains (losses) before reclassifications[2]	37	48	—	11	96
Reclassifications to net income of previously deferred (gains) losses[2]	2	(103)	—	(10)	(111)
Total other comprehensive income (loss)	39	(55)	—	1	(15)
Balance at November 30, 2023	**$ (178)**	**$ 242**	**$ 115**	**$ (58)**	**$ 121**

(1) The accumulated foreign currency translation adjustment and net investment hedge gains/losses related to an investment in a foreign subsidiary are reclassified to Net income upon sale or upon complete or substantially complete liquidation of the respective entity.

(2) Net of immaterial tax impact.

(Dollars in millions)	FOREIGN CURRENCY TRANSLATION ADJUSTMENT[1]	CASH FLOW HEDGES	NET INVESTMENT HEDGES[1]	OTHER	TOTAL
Balance at August 31, 2022	**$ (746)**	**$ 1,334**	**$ 115**	**$ (67)**	**$ 636**
Other comprehensive income (loss):					
Other comprehensive gains (losses) before reclassifications[2]	45	(138)	—	(24)	(117)
Reclassifications to net income of previously deferred (gains) losses[2]	309	(263)	—	(6)	40
Total other comprehensive income (loss)	354	(401)	—	(30)	(77)
Balance at November 30, 2022	**$ (392)**	**$ 933**	**$ 115**	**$ (97)**	**$ 559**

(1) The accumulated foreign currency translation adjustment and net investment hedge gains/losses related to an investment in a foreign subsidiary are reclassified to Net income upon sale or upon complete or substantially complete liquidation of the respective entity.

(2) Net of immaterial tax impact.

(Dollars in millions)	FOREIGN CURRENCY TRANSLATION ADJUSTMENT[1]	CASH FLOW HEDGES	NET INVESTMENT HEDGES[1]	OTHER	TOTAL
Balance at May 31, 2023	**$ (253)**	**$ 431**	**$ 115**	**$ (62)**	**$ 231**
Other comprehensive income (loss):					
Other comprehensive gains (losses) before reclassifications[2]	73	25	—	11	109
Reclassifications to net income of previously deferred (gains) losses[2]	2	(214)	—	(7)	(219)
Total other comprehensive income (loss)	75	(189)	—	4	(110)
Balance at November 30, 2023	**$ (178)**	**$ 242**	**$ 115**	**$ (58)**	**$ 121**

(1) The accumulated foreign currency translation adjustment and net investment hedge gains/losses related to an investment in a foreign subsidiary are reclassified to Net income upon sale or upon complete or substantially complete liquidation of the respective entity.

(2) Net of immaterial tax impact.

(Dollars in millions)		FOREIGN CURRENCY TRANSLATION ADJUSTMENT(1)		CASH FLOW HEDGES		NET INVESTMENT HEDGES(1)		OTHER		TOTAL
Balance at May 31, 2022	**$**	**(520)**	**$**	**779**	**$**	**115**	**$**	**(56)**	**$**	**318**
Other comprehensive income (loss):										
Other comprehensive gains (losses) before reclassifications(2)		(227)		578		—		(27)		324
Reclassifications to net income of previously deferred (gains) losses(2)		355		(424)		—		(14)		(83)
Total other comprehensive income (loss)		128		154		—		(41)		241
Balance at November 30, 2022	**$**	**(392)**	**$**	**933**	**$**	**115**	**$**	**(97)**	**$**	**559**

(1) The accumulated foreign currency translation adjustment and net investment hedge gains/losses related to an investment in a foreign subsidiary are reclassified to Net income upon sale or upon complete or substantially complete liquidation of the respective entity.

(2) Net of immaterial tax impact.

The following table summarizes the reclassifications from Accumulated other comprehensive income (loss) to the Unaudited Condensed Consolidated Statements of Income:

	AMOUNT OF GAIN (LOSS) RECLASSIFIED FROM ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) INTO INCOME				
	THREE MONTHS ENDED NOVEMBER 30,		SIX MONTHS ENDED NOVEMBER 30,		LOCATION OF GAIN (LOSS) RECLASSIFIED FROM ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) INTO INCOME
(Dollars in millions)	2023	2022	2023	2022	
Gains (losses) on foreign currency translation adjustment	$ (2)	$ (325)	$ (2)	$ (371)	Other (income) expense, net
Total before tax	(2)	(325)	(2)	(371)	
Tax (expense) benefit	—	16	—	16	
Gain (loss) net of tax	**(2)**	**(309)**	**(2)**	**(355)**	
Gains (losses) on cash flow hedges:					
Foreign exchange forwards and options	2	4	3	(5)	Revenues
Foreign exchange forwards and options	65	173	151	282	Cost of sales
Foreign exchange forwards and options	—	(2)	—	(3)	Demand creation expense
Foreign exchange forwards and options	51	125	86	207	Other (income) expense, net
Interest rate swaps	(2)	(2)	(4)	(4)	Interest expense (income), net
Total before tax	116	298	236	477	
Tax (expense) benefit	(13)	(35)	(22)	(53)	
Gain (loss) net of tax	**103**	**263**	**214**	**424**	
Gains (losses) on other	14	9	10	20	Other (income) expense, net
Total before tax	14	9	10	20	
Tax (expense) benefit	(4)	(3)	(3)	(6)	
Gain (loss) net of tax	**10**	**6**	**7**	**14**	
Total net gain (loss) reclassified for the period	**$ 111**	**$ (40)**	**$ 219**	**$ 83**	

NOTE 9 — REVENUES

DISAGGREGATION OF REVENUES

The following tables present the Company's Revenues disaggregated by reportable operating segment, major product line and distribution channel:

	THREE MONTHS ENDED NOVEMBER 30, 2023								
(Dollars in millions)	NORTH AMERICA	EUROPE, MIDDLE EAST & AFRICA	GREATER CHINA	ASIA PACIFIC & LATIN AMERICA	GLOBAL BRAND DIVISIONS	TOTAL NIKE BRAND	CONVERSE	CORPORATE	TOTAL NIKE, INC.
Revenues by:									
Footwear	$ 3,757	$ 2,186	$ 1,361	$ 1,303	$ —	$ 8,607	$ 442	$ —	$ 9,049
Apparel	1,668	1,200	469	437	—	3,774	30	—	3,804
Equipment	200	181	33	65	—	479	7	—	486
Other	—	—	—	—	12	12	40	(3)	49
TOTAL REVENUES	**$ 5,625**	**$ 3,567**	**$ 1,863**	**$ 1,805**	**$ 12**	**$ 12,872**	**$ 519**	**$ (3)**	**$ 13,388**
Revenues by:									
Sales to Wholesale Customers	$ 2,902	$ 2,138	$ 1,027	$ 1,051	$ —	$ 7,118	$ 257	$ —	$ 7,375
Sales through Direct to Consumer	2,723	1,429	836	754	—	5,742	222	—	5,964
Other	—	—	—	—	12	12	40	(3)	49
TOTAL REVENUES	**$ 5,625**	**$ 3,567**	**$ 1,863**	**$ 1,805**	**$ 12**	**$ 12,872**	**$ 519**	**$ (3)**	**$ 13,388**

	THREE MONTHS ENDED NOVEMBER 30, 2022								
(Dollars in millions)	NORTH AMERICA	EUROPE, MIDDLE EAST & AFRICA	GREATER CHINA	ASIA PACIFIC & LATIN AMERICA	GLOBAL BRAND DIVISIONS	TOTAL NIKE BRAND	CONVERSE	CORPORATE	TOTAL NIKE, INC.
Revenues by:									
Footwear	$ 3,963	$ 2,063	$ 1,370	$ 1,108	$ —	$ 8,504	$ 517	$ —	$ 9,021
Apparel	1,685	1,281	393	435	—	3,794	21	—	3,815
Equipment	182	145	25	56	—	408	6	—	414
Other	—	—	—	—	18	18	42	5	65
TOTAL REVENUES	**$ 5,830**	**$ 3,489**	**$ 1,788**	**$ 1,599**	**$ 18**	**$ 12,724**	**$ 586**	**$ 5**	**$ 13,315**
Revenues by:									
Sales to Wholesale Customers	$ 3,183	$ 2,242	$ 897	$ 965	$ —	$ 7,287	$ 304	$ —	$ 7,591
Sales through Direct to Consumer	2,647	1,247	891	634	—	5,419	240	—	5,659
Other	—	—	—	—	18	18	42	5	65
TOTAL REVENUES	**$ 5,830**	**$ 3,489**	**$ 1,788**	**$ 1,599**	**$ 18**	**$ 12,724**	**$ 586**	**$ 5**	**$ 13,315**

(Dollars in millions)	SIX MONTHS ENDED NOVEMBER 30, 2023 NORTH AMERICA	EUROPE, MIDDLE EAST & AFRICA	GREATER CHINA	ASIA PACIFIC & LATIN AMERICA	GLOBAL BRAND DIVISIONS	TOTAL NIKE BRAND	CONVERSE	CORPORATE	TOTAL NIKE, INC.
Revenues by:									
Footwear	$ 7,490	$ 4,446	$ 2,648	$ 2,444	$ —	$ 17,028	$ 964	$ —	$ 17,992
Apparel	3,147	2,337	870	808	—	7,162	50	—	7,212
Equipment	411	394	80	125	—	1,010	18	—	1,028
Other	—	—	—	—	25	25	75	(5)	95
TOTAL REVENUES	**$ 11,048**	**$ 7,177**	**$ 3,598**	**$ 3,377**	**$ 25**	**$ 25,225**	**$ 1,107**	**$ (5)**	**$ 26,327**
Revenues by:									
Sales to Wholesale Customers	$ 5,674	$ 4,517	$ 1,922	$ 1,988	$ —	$ 14,101	$ 586	$ —	$ 14,687
Sales through Direct to Consumer	5,374	2,660	1,676	1,389	—	11,099	446	—	11,545
Other	—	—	—	—	25	25	75	(5)	95
TOTAL REVENUES	**$ 11,048**	**$ 7,177**	**$ 3,598**	**$ 3,377**	**$ 25**	**$ 25,225**	**$ 1,107**	**$ (5)**	**$ 26,327**

(Dollars in millions)	SIX MONTHS ENDED NOVEMBER 30, 2022 NORTH AMERICA	EUROPE, MIDDLE EAST & AFRICA	GREATER CHINA	ASIA PACIFIC & LATIN AMERICA	GLOBAL BRAND DIVISIONS	TOTAL NIKE BRAND	CONVERSE	CORPORATE	TOTAL NIKE, INC.
Revenues by:									
Footwear	$ 7,768	$ 4,075	$ 2,603	$ 2,172	$ —	$ 16,618	$ 1,093	$ —	$ 17,711
Apparel	3,179	2,434	767	848	—	7,228	42	—	7,270
Equipment	393	313	74	114	—	894	14	—	908
Other	—	—	—	—	32	32	80	1	113
TOTAL REVENUES	**$ 11,340**	**$ 6,822**	**$ 3,444**	**$ 3,134**	**$ 32**	**$ 24,772**	**$ 1,229**	**$ 1**	**$ 26,002**
Revenues by:									
Sales to Wholesale Customers	$ 6,210	$ 4,445	$ 1,736	$ 1,879	$ —	$ 14,270	$ 647	$ —	$ 14,917
Sales through Direct to Consumer	5,130	2,377	1,708	1,255	—	10,470	502	—	10,972
Other	—	—	—	—	32	32	80	1	113
TOTAL REVENUES	**$ 11,340**	**$ 6,822**	**$ 3,444**	**$ 3,134**	**$ 32**	**$ 24,772**	**$ 1,229**	**$ 1**	**$ 26,002**

For the three and six months ended November 30, 2023 and 2022, Global Brand Divisions revenues included NIKE Brand licensing and other miscellaneous revenues that are not part of a geographic operating segment. Converse Other revenues were primarily attributable to licensing businesses. Corporate revenues primarily consisted 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.

As of November 30, 2023 and May 31, 2023, the Company did no t have any contract assets and had an immaterial amount of contract liabilities recorded in Accrued liabilities on the Unaudited Condensed Consolidated Balance Sheets.

NOTE 10 — OPERATING SEGMENTS

The Company's operating segments are evidence of the structure of the Company's internal organization. The NIKE Brand segments are defined by geographic regions for operations participating in NIKE Brand sales activity.

Each NIKE Brand geographic segment operates predominantly in one industry: the design, development, marketing and selling of athletic footwear, apparel and equipment. The Company's reportable operating segments for the NIKE Brand are: North America; Europe, Middle East & Africa ("EMEA"); Greater China; and Asia Pacific & Latin America ("APLA"), and include results for the NIKE and Jordan brands.

The Company's NIKE Direct operations are managed within each NIKE Brand geographic operating segment. Converse is also a reportable segment for the Company and operates in one industry: the design, marketing, licensing and selling of athletic lifestyle sneakers, apparel and accessories.

Global Brand Divisions is included within the NIKE Brand for presentation purposes to align with the way management views the Company. Global Brand Divisions revenues include NIKE Brand licensing and other miscellaneous revenues that are not part of a geographic operating segment. Global Brand Divisions costs represent demand creation and operating overhead expense that include product creation and design expenses centrally managed for the NIKE Brand, as well as costs associated with NIKE Direct global digital operations and enterprise technology.

Corporate consists primarily of unallocated general and administrative expenses, including expenses associated with centrally managed departments; depreciation and amortization related to the Company's headquarters; unallocated insurance, benefit and compensation programs, including stock-based compensation; and certain foreign currency gains and losses, including certain hedge gains and losses.

The primary financial measure used by the Company to evaluate performance of individual operating segments is earnings before interest and taxes ("EBIT"), which represents Net income before Interest expense (income), net, and Income taxes in the Unaudited Condensed Consolidated Statements of Income.

As part of the Company's centrally managed foreign exchange risk management program, standard foreign currency rates are assigned twice per year to each NIKE Brand entity in the Company's geographic operating segments and to Converse. These rates are set approximately nine and twelve months in advance of the future selling seasons to which they relate (specifically, for each currency, one standard rate applies to the fall and holiday selling seasons, and one standard rate applies to the spring and summer selling seasons) based on average market spot rates in the calendar month preceding the date they are established. Inventories and Cost of sales for geographic operating segments and Converse reflect the use of these standard rates to record non-functional currency product purchases in the entity's functional currency. Differences between assigned standard foreign currency rates and actual market rates are included in Corporate, together with foreign currency hedge gains and losses generated from the Company's centrally managed foreign exchange risk management program and other conversion gains and losses.

Accounts receivable, net, Inventories and Property, plant and equipment, net for operating segments are regularly reviewed by management and are therefore provided below.

(Dollars in millions)	THREE MONTHS ENDED NOVEMBER 30, 2023	THREE MONTHS ENDED NOVEMBER 30, 2022	SIX MONTHS ENDED NOVEMBER 30, 2023	SIX MONTHS ENDED NOVEMBER 30, 2022
REVENUES				
North America	$ 5,625	$ 5,830	$ 11,048	$ 11,340
Europe, Middle East & Africa	3,567	3,489	7,177	6,822
Greater China	1,863	1,788	3,598	3,444
Asia Pacific & Latin America	1,805	1,599	3,377	3,134
Global Brand Divisions	12	18	25	32
Total NIKE Brand	12,872	12,724	25,225	24,772
Converse	519	586	1,107	1,229
Corporate	(3)	5	(5)	1
TOTAL NIKE, INC. REVENUES	**$ 13,388**	**$ 13,315**	**$ 26,327**	**$ 26,002**
EARNINGS BEFORE INTEREST AND TAXES				
North America	$ 1,526	$ 1,497	$ 2,960	$ 2,874
Europe, Middle East & Africa	927	990	1,857	1,965
Greater China	514	511	1,039	1,052
Asia Pacific & Latin America	521	485	935	985
Global Brand Divisions	(1,168)	(1,226)	(2,373)	(2,413)
Converse	115	153	282	362
Corporate	(535)	(744)	(1,186)	(1,318)
Interest expense (income), net	(22)	16	(56)	29
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES	**$ 1,922**	**$ 1,650**	**$ 3,570**	**$ 3,478**

(Dollars in millions)	NOVEMBER 30, 2023	MAY 31, 2023
ACCOUNTS RECEIVABLE, NET		
North America	$ 1,902	$ 1,653
Europe, Middle East & Africa	1,369	1,197
Greater China	194	162
Asia Pacific & Latin America	919	700
Global Brand Divisions	83	96
Total NIKE Brand	4,467	3,808
Converse	228	235
Corporate	87	88
TOTAL ACCOUNTS RECEIVABLE, NET	**$ 4,782**	**$ 4,131**
INVENTORIES		
North America	$ 3,327	$ 3,806
Europe, Middle East & Africa	2,013	2,167
Greater China	1,218	973
Asia Pacific & Latin America	946	894
Global Brand Divisions	204	232
Total NIKE Brand	7,708	8,072
Converse	290	305
Corporate	(19)	77
TOTAL INVENTORIES[1]	**$ 7,979**	**$ 8,454**

(1) Inventories as of November 30, 2023 and May 31, 2023, were substantially all finished goods.

(Dollars in millions)	NOVEMBER 30, 2023	MAY 31, 2023
PROPERTY, PLANT AND EQUIPMENT, NET		
North America	$ 788	$ 794
Europe, Middle East & Africa	1,076	1,009
Greater China	275	292
Asia Pacific & Latin America	298	279
Global Brand Divisions	908	840
Total NIKE Brand	3,345	3,214
Converse	33	38
Corporate	1,775	1,829
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	**$ 5,153**	**$ 5,081**

NOTE 11 — CONTINGENCIES

In the ordinary course of business, the Company is subject to various legal proceedings, claims and government investigations relating to its business, products and actions of its employees and representatives, including contractual and employment relationships, product liability, antitrust, customs, tax, intellectual property and other matters. The outcome of these legal matters is inherently uncertain, and the Company cannot predict the eventual outcome of currently pending matters, the timing of their ultimate resolution or the eventual losses, fines, penalties or consequences relating to those matters. When a loss related to a legal proceeding or claim is probable and reasonably estimable, the Company accrues its best estimate for the ultimate resolution of the matter. If one or more legal matters were to be resolved against the Company in a reporting period for amounts above management's expectations, the Company's financial position, operating results and cash flows for that reporting period could be materially adversely affected. In the opinion of management, based on its current knowledge and after consultation with counsel, the Company does not believe any currently pending legal matters will have a material adverse impact on the Company's results of operations, financial position or cash flows, except as described below.

BELGIAN CUSTOMS CLAIM

The Company has received claims for certain years from Belgian Customs and other government authorities for alleged underpaid duties related to products imported beginning in fiscal 2018. The Company disputes these claims and has engaged in the appellate process. The Company has issued bank guarantees in order to appeal the claims. At this time, the Company is unable to estimate the range of loss and cannot predict the final outcome as it could take several years to reach a resolution on this matter. If this matter is ultimately resolved against the Company, the amounts owed, including fines, penalties and other consequences relating to the matter, could have a material adverse effect on the Company's results of operations, financial position and cash flows.

NOTE 12 — ACQUISITIONS AND DIVESTITURES

During the second quarter of fiscal 2023, the sale of the Company's entities in Argentina and Uruguay to a third-party distributor was completed and the net loss on the sale of these entities totaled approximately $ 550 million. This loss included $ 389 million, recognized primarily in fiscal 2020, largely due to the anticipated release of the cumulative foreign currency translation losses. The remaining loss recognized in fiscal 2023 was due to the devaluation of local currency and cash equivalents included in the transferred assets. Upon completion of the sale, the foreign currency translation losses recorded in Accumulated other comprehensive income (loss) were reclassified to Net income within Other (income) expense, net, on the Unaudited Condensed Consolidated Statements of Comprehensive Income along with the allowance for previously recognized losses recorded in Accrued liabilities. The net loss was classified within Corporate.

The net cash proceeds received are reflected within Other investing activities on the Unaudited Condensed Consolidated Statements of Cash Flows.

NOTE 13 — SUBSEQUENT EVENTS

In December 2023, the Company announced an enterprise initiative designed to accelerate its future growth. As part of this initiative, management is taking steps to streamline the organization which are expected to result in pre-tax restructuring charges of approximately $ 400 million to $ 450 million, primarily associated with employee severance costs largely expected to be recognized in the third quarter of fiscal 2024 within Operating overhead expense. The expected pre-tax charges are estimates and are subject to a number of assumptions. Actual results may vary from the estimates provided above.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

NIKE designs, develops, markets and sells athletic footwear, apparel, equipment, accessories and services worldwide. We are the largest seller of athletic footwear and apparel in the world. We sell our products through NIKE Direct operations, which is comprised of both NIKE-owned retail stores and sales through our digital platforms (also referred to as "NIKE Brand Digital"), to wholesale accounts and to a mix of independent distributors, licensees and sales representatives in nearly all countries around the world. Our goal is to deliver value to our shareholders by building a profitable global portfolio of branded footwear, apparel, equipment and accessories businesses. Our strategy is to achieve long-term revenue growth by creating innovative, "must-have" products, building deep personal consumer connections with our brands and delivering compelling consumer experiences through digital platforms and at retail.

Through the Consumer Direct Acceleration strategy, we are focused on creating the marketplace of the future with more premium, consistent and seamless consumer experiences, leading with digital and our owned stores, as well as select wholesale partners. In addition, our product creation and marketing organizations are aligned to a consumer construct focused on sports dimensions through Men's, Women's and Kids', which allows us to better serve consumer needs. We continue to invest in a new Enterprise Resource Planning Platform, data and analytics, demand sensing, insight gathering and other areas to create an end-to-end technology foundation, which we believe will further accelerate our digital transformation. We believe this unified approach will accelerate growth and unlock more efficiency for our business, while driving speed and responsiveness as we serve consumers globally.

QUARTERLY FINANCIAL HIGHLIGHTS

- NIKE, Inc. Revenues for the second quarter of fiscal 2024 were $13.4 billion, an increase of 1% on a reported basis and a decrease of 1% on a currency-neutral basis, compared to the second quarter of fiscal 2023
- NIKE Direct revenues grew 6% from $5.4 billion for the second quarter of fiscal 2023 to $5.7 billion for the second quarter of fiscal 2024, and represented approximately 45% of total NIKE Brand revenues for the second quarter of fiscal 2024
- Gross margin for the second quarter of fiscal 2024 increased 170 basis points to 44.6%, primarily driven by strategic pricing actions and lower ocean freight rates, partially offset by unfavorable changes in net foreign currency exchange rates and higher product input costs
- Inventories as of November 30, 2023, were $8.0 billion, a decrease of 6% compared to May 31, 2023, primarily driven by a decrease in units
- We returned approximately $1.7 billion to our shareholders in the second quarter of fiscal 2024 through share repurchases and dividends

ECONOMIC CONDITIONS AND MARKET DYNAMICS

- **Consumer Spending:** During the second quarter of fiscal 2024, we saw shifts in consumer behavior as the global economy remains uncertain. Across our industry, consumers are spending more cautiously and promotional activity remains high. In this environment, we experienced lower digital traffic and moderation in our revenue growth. We will continue to monitor macroeconomic conditions, including the potential impacts of inflation and higher interest rates on consumer behavior.
- **Cost Inflationary Pressures:** Inflationary pressures, including higher product input costs, continued to negatively impact our gross margin. These negative impacts on gross margin were more than offset by strategic pricing actions we have taken through the second quarter of fiscal 2024 as well as improvements in ocean freight rates we started to realize at the beginning of the second quarter of fiscal 2024.
- **Supply Chain Conditions:** During the first six months of fiscal 2024 and as of November 30, 2023, our inventory levels were healthy and reflected our proactive actions taken to manage our inventory supply. In addition, we continued to experience normalized inventory transit times and flow of seasonal product.
- **Foreign Currency Impacts:** As a global company with significant operations outside the United States, we are exposed to risk arising from changes in foreign currency exchange rates. For additional information, refer to "Foreign Currency Exposures and Hedging Practices".

The operating environment could remain volatile in fiscal 2024, and the risk exists that worsening macroeconomic conditions could have a material adverse impact on our future revenue growth as well as overall profitability. We continue to be confident in our brand strength and deep consumer connections. We are committed to accelerating our pace of innovation, elevating our marketplace experiences and maximizing the impact of our storytelling. We will also continue to focus on driving gross margin expansion and disciplined cost control.

RECENT DEVELOPMENTS

In December 2023, we announced an enterprise initiative designed to accelerate our future growth. As part of this initiative, we are taking steps to streamline the organization which are expected to result in pre-tax restructuring charges of approximately $400 million to $450 million, primarily associated with employee severance costs largely expected to be recognized in the third quarter of fiscal 2024 within Operating overhead expense. The expected pre-tax charges are estimates and subject to a number of assumptions. Actual results may differ from the estimates provided above.

USE OF NON-GAAP FINANCIAL MEASURES

Throughout this Quarterly Report on Form 10-Q, we discuss non-GAAP financial measures, which should be considered in addition to, and not in lieu of, the financial measures calculated and presented in accordance with U.S. GAAP. References to these measures 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 measures used by other companies. Management uses these non-GAAP 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 our underlying business performance and trends.

Earnings Before Interest and Taxes ("EBIT"): Calculated as Net income before Interest expense (income), net and Income tax expense in the Unaudited Condensed Consolidated Statements of Income. Total NIKE, Inc. EBIT for the three and six months ended November 30, 2023 and 2022 are as follows:

	THREE MONTHS ENDED NOVEMBER 30,		SIX MONTHS ENDED NOVEMBER 30,	
(Dollars in millions)	2023	2022	2023	2022
Net income	$ 1,578	$ 1,331	$ 3,028	$ 2,799
Add: Interest expense (income), net	(22)	16	(56)	29
Add: Income tax expense	344	319	542	679
Earnings before interest and taxes	$ 1,900	$ 1,666	$ 3,514	$ 3,507

EBIT margin: Calculated as total NIKE, Inc. EBIT divided by total NIKE, Inc. Revenues. Our EBIT margin calculation for the three and six months ended November 30, 2023 and 2022 are as follows:

	THREE MONTHS ENDED NOVEMBER 30,		SIX MONTHS ENDED NOVEMBER 30,	
(Dollars in millions)	2023	2022	2023	2022
Numerator				
Earnings before interest and taxes	$ 1,900	$ 1,666	$ 3,514	$ 3,507
Denominator				
Total NIKE, Inc. Revenues	$ 13,388	$ 13,315	$ 26,327	$ 26,002
EBIT margin	14.2 %	12.5 %	13.3 %	13.5 %

Currency-neutral revenues: Currency-neutral revenues enhance visibility to underlying business trends, excluding the impact of translation arising from foreign currency exchange rate fluctuations. Currency-neutral revenues are calculated using actual exchange rates in use during the comparative prior year period in place of the exchange rates in use during the current period.

Wholesale equivalent revenues: References to wholesale equivalent revenues are intended to provide context as to the total size of our NIKE Brand market footprint if we had no NIKE Direct operations. NIKE Brand wholesale equivalent revenues consist of (1) sales to external wholesale customers and (2) internal sales from our wholesale operations to our NIKE Direct operations, which are charged at prices comparable to those charged to external wholesale customers.

COMPARABLE STORE SALES

Comparable store sales: This key metric, which excludes NIKE Brand Digital sales, comprises revenues from NIKE-owned in-line and factory stores for which all three of the following requirements have been met: (1) the store has been open at least one year, (2) square footage has not changed by more than 15% within the past year and (3) the store has not been permanently repositioned within the past year. Comparable store sales includes revenues from stores that were temporarily closed during the period as a result of COVID-19. Comparable store sales represents a performance metric that we believe is useful information for management and investors in understanding the performance of our established NIKE-owned in-line and factory stores. Management considers this metric when making financial and operating decisions. The method of calculating comparable store sales varies across the retail industry. As a result, our calculation of this metric may not be comparable to similarly titled metrics used by other companies.

RESULTS OF OPERATIONS

(Dollars in millions, except per share data)	THREE MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE	SIX MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE
Revenues	$ 13,388	$ 13,315	1 %	$ 26,327	$ 26,002	1 %
Cost of sales	7,417	7,604	-2 %	14,636	14,676	0 %
Gross profit	5,971	5,711	5 %	11,691	11,326	3 %
Gross margin	*44.6 %*	*42.9 %*		*44.4 %*	*43.6 %*	
Demand creation expense	1,114	1,102	1 %	2,183	2,045	7 %
Operating overhead expense	3,032	3,022	0 %	6,079	5,999	1 %
Total selling and administrative expense	4,146	4,124	1 %	8,262	8,044	3 %
% of revenues	*31.0 %*	*31.0 %*		*31.4 %*	*30.9 %*	
Interest expense (income), net	(22)	16	—	(56)	29	—
Other (income) expense, net	(75)	(79)	—	(85)	(225)	—
Income before income taxes	1,922	1,650	16 %	3,570	3,478	3 %
Income tax expense	344	319	8 %	542	679	-20 %
Effective tax rate	*17.9 %*	*19.3 %*		*15.2 %*	*19.5 %*	
NET INCOME	**$ 1,578**	**$ 1,331**	**19 %**	**$ 3,028**	**$ 2,799**	**8 %**
Diluted earnings per common share	$ 1.03	$ 0.85	21 %	$ 1.97	$ 1.77	11 %

CONSOLIDATED OPERATING RESULTS

REVENUES

(Dollars in millions)	THREE MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES(1)	SIX MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES(1)
NIKE, Inc. Revenues:								
NIKE Brand Revenues by:								
Footwear	$ 8,607	$ 8,504	1 %	0 %	$ 17,028	$ 16,618	2 %	2 %
Apparel	3,774	3,794	-1 %	-2 %	7,162	7,228	-1 %	-1 %
Equipment	479	408	17 %	15 %	1,010	894	13 %	12 %
Global Brand Divisions(2)	12	18	-33 %	-41 %	25	32	-22 %	-25 %
Total NIKE Brand Revenues	**12,872**	**12,724**	**1 %**	**0 %**	**25,225**	**24,772**	**2 %**	**2 %**
Converse	519	586	-11 %	-13 %	1,107	1,229	-10 %	-11 %
Corporate(3)	(3)	5	—	—	(5)	1	—	—
TOTAL NIKE, INC. REVENUES	**$ 13,388**	**$ 13,315**	**1 %**	**-1 %**	**$ 26,327**	**$ 26,002**	**1 %**	**1 %**
Supplemental NIKE Brand Revenues Details:								
NIKE Brand Revenues by:								
Sales to Wholesale Customers	$ 7,118	$ 7,287	-2 %	-3 %	$ 14,101	$ 14,270	-1 %	-1 %
Sales through NIKE Direct	5,742	5,419	6 %	4 %	11,099	10,470	6 %	5 %
Global Brand Divisions(2)	12	18	-33 %	-41 %	25	32	-22 %	-25 %
TOTAL NIKE BRAND REVENUES	**$ 12,872**	**$ 12,724**	**1 %**	**0 %**	**$ 25,225**	**$ 24,772**	**2 %**	**2 %**

(1) The percent change excluding currency changes represents a non-GAAP financial measure. For additional information, see "Use of Non-GAAP Financial Measures".

(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 our central foreign exchange risk management program.

SECOND QUARTER OF FISCAL 2024 COMPARED TO SECOND QUARTER OF FISCAL 2023

- NIKE, Inc. Revenues were $13.4 billion for the second quarter of fiscal 2024, which increased 1% on a reported basis and decreased 1% on a currency-neutral basis, compared to the second quarter of fiscal 2023. The decrease, on a currency-neutral basis, was driven by lower revenues in North America, Europe, Middle East & Africa ("EMEA") and Converse, which each reduced NIKE, Inc. Revenues by approximately 1 percentage point. Higher revenues in Asia Pacific & Latin America ("APLA") and Greater China each increased NIKE, Inc. Revenues by approximately 1 percentage point.
- NIKE Brand revenues, which represented over 90% of NIKE, Inc. Revenues, increased 1% on a reported basis and were flat on a currency-neutral basis. This was due to higher revenues in the Jordan Brand, offset by lower revenues in Men's, Kids' and Women's.
    - NIKE Brand footwear revenues were flat on a currency-neutral basis due to higher revenues in the Jordan Brand, offset by lower revenues in Men's, Kids' and Women's. Unit sales of footwear decreased 6%, while higher average selling price ("ASP") per pair contributed approximately 6 percentage points of footwear revenue growth. Higher ASP per pair was primarily due to higher full-price ASP, net of discounts, on a wholesale equivalent basis, and growth in the size of our NIKE Direct business.
    - NIKE Brand apparel revenues decreased 2% on a currency-neutral basis, primarily due to lower revenues in Men's and Women's, partially offset by higher revenues in the Jordan Brand. Unit sales of apparel decreased 15%, while higher ASP per unit contributed approximately 13 percentage points of apparel revenue growth. Higher ASP per unit was primarily due to higher full-price, NIKE Direct and off-price ASPs.
- NIKE Brand wholesale revenues decreased 2% and 3% compared to the second quarter of fiscal 2023, on a reported and currency-neutral basis, respectively, primarily due to decreases in North America and EMEA, reflecting our proactive decisions to prioritize marketplace health in the current year coupled with our liquidation of excess inventory in the prior year.
- NIKE Direct revenues increased 6%, on a reported basis, from $5.4 billion in the second quarter of fiscal 2023 to $5.7 billion in the second quarter of fiscal 2024. On a currency-neutral basis, NIKE Direct revenues increased 4%, driven by comparable store sales growth of 5%, the addition of new stores and NIKE Brand Digital sales growth of 1%. For additional information regarding comparable store sales, including the definition, see "Comparable Store Sales". NIKE Brand Digital sales were $3.5 billion for the second quarter of fiscal 2024 compared to $3.4 billion for the second quarter of fiscal 2023. Within NIKE Direct revenues, there were certain reclassifications made between NIKE-owned retail stores and NIKE Brand Digital in the prior period to conform to current period presentation. The reclassifications did not have a material impact on our Unaudited Condensed Consolidated Financial Statements.

FIRST SIX MONTHS OF FISCAL 2024 COMPARED TO FIRST SIX MONTHS OF FISCAL 2023

- NIKE, Inc. Revenues were $26.3 billion for the first six months of fiscal 2024, which increased 1% compared to the first six months of fiscal 2023 on a reported and currency-neutral basis. The increase, on a currency-neutral basis, was driven by higher revenues in Greater China and APLA, which both contributed approximately 1 percentage point to NIKE, Inc. Revenues. Lower revenues in North America reduced NIKE, Inc. Revenues by approximately 1 percentage point.
- NIKE Brand revenues, which represented over 90% of NIKE, Inc. Revenues, increased 2% on a reported and currency-neutral basis. This increase was primarily due to higher revenues in the Jordan Brand, partially offset by lower revenues in Men's and Kids'.
    - NIKE Brand footwear revenues increased 2% on a currency-neutral basis due to higher revenues in the Jordan Brand and Women's, partially offset by lower revenues in Kids' and Men's. Unit sales of footwear decreased 5%, while higher ASP per pair contributed approximately 7 percentage points of footwear revenue growth. Higher ASP per pair was primarily due to higher full-price ASP and growth in NIKE Direct.
    - NIKE Brand apparel revenues decreased 1% on a currency-neutral basis, primarily due to lower revenues in Men's, Women's and the Jordan Brand. Unit sales of apparel decreased 15%, while higher ASP per unit contributed approximately 14 percentage points of apparel revenue growth. Higher ASP per unit was primarily due to higher full-price and NIKE Direct ASPs.
- NIKE Direct revenues increased 6%, on a reported basis, from $10.5 billion for the first six months of fiscal 2023 to $11.1 billion for the first six months of fiscal 2024. On a currency-neutral basis, NIKE Direct revenues increased 5%, driven by comparable store sales growth of 7%, the addition of new stores and NIKE Brand Digital sales growth of 2%. NIKE Brand Digital sales were $6.4 billion for the first six months of fiscal 2024 compared to $6.2 billion for the first six months of fiscal 2023. Within NIKE Direct revenues, there were certain reclassifications made between NIKE-owned retail stores and NIKE Brand Digital in the prior period to conform to current period presentation. The reclassifications did not have a material impact on our Unaudited Condensed Consolidated Financial Statements.

GROSS MARGIN

(Dollars in millions)	THREE MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE	SIX MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE
Gross profit	$ 5,971	$ 5,711	5 %	$ 11,691	$ 11,326	3 %
Gross margin	44.6 %	42.9 %	170 bps	44.4 %	43.6 %	80 bps

SECOND QUARTER OF FISCAL 2024 COMPARED TO SECOND QUARTER OF FISCAL 2023

For the second quarter of fiscal 2024, our consolidated gross margin was 170 basis points higher than the prior year primarily due to:

- Higher NIKE Brand full-price ASP, net of discounts, on a wholesale equivalent basis (increasing gross margin approximately 320 basis points) primarily due to strategic pricing actions and lower discounts.

This was partially offset by:

- Unfavorable changes in net foreign currency exchange rates, including hedges (decreasing gross margin approximately 60 basis points);
- Higher NIKE Brand product costs, on a wholesale equivalent basis (decreasing gross margin approximately 50 basis points), primarily due to increased product input costs largely offset by lower ocean freight rates;
- Lower off-price margin, on a wholesale equivalent basis (decreasing gross margin approximately 20 basis points); and
- Lower margin in our NIKE Direct business (decreasing gross margin approximately 20 basis points).

FIRST SIX MONTHS OF FISCAL 2024 COMPARED TO FIRST SIX MONTHS OF FISCAL 2023

For the first six months of fiscal 2024, our consolidated gross margin was 80 basis points higher than the prior year primarily due to:

- Higher NIKE Brand full-price ASP, net of discounts, on a wholesale equivalent basis (increasing gross margin approximately 310 basis points) primarily due to strategic pricing actions.

This was partially offset by:

- Higher NIKE Brand product costs, on a wholesale equivalent basis (decreasing gross margin approximately 110 basis points), primarily due to increased product input costs largely offset by lower ocean freight rates;
- Unfavorable changes in net foreign currency exchange rates, including hedges (decreasing gross margin approximately 80 basis points); and
- Lower off-price margin, on a wholesale equivalent basis (decreasing gross margin approximately 30 basis points).

TOTAL SELLING AND ADMINISTRATIVE EXPENSE

(Dollars in millions)	THREE MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE	SIX MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE
Demand creation expense[(1)]	$ 1,114	$ 1,102	1 %	$ 2,183	$ 2,045	7 %
Operating overhead expense	3,032	3,022	0 %	6,079	5,999	1 %
Total selling and administrative expense	$ 4,146	$ 4,124	1 %	$ 8,262	$ 8,044	3 %
% of revenues	31.0 %	31.0 %	— bps	31.4 %	30.9 %	50 bps

(1) Demand creation expense consists of advertising and promotion costs, including costs of endorsement contracts, complimentary products, television, digital and print advertising and media costs, brand events and retail brand presentation.

SECOND QUARTER OF FISCAL 2024 COMPARED TO SECOND QUARTER OF FISCAL 2023

Demand creation expense increased 1% reflecting an increase in marketing expense. Changes in foreign currency exchange rates did not have a material impact on Demand creation expense.

Operating overhead expense was flat as increases in NIKE Direct variable costs were offset by lower technology spend and wage-related expenses. Changes in foreign currency exchange rates did not have a material impact on Operating overhead expense.

FIRST SIX MONTHS OF FISCAL 2024 COMPARED TO FIRST SIX MONTHS OF FISCAL 2023

Demand creation expense increased 7% reflecting an increase in marketing expense. Changes in foreign currency exchange rates did not have a material impact on Demand creation expense.

Operating overhead expense increased 1% primarily due to higher wage-related expenses and NIKE Direct variable costs, partially offset by lower technology spend. Changes in foreign currency exchange rates did not have a material impact on Operating overhead expense.

OTHER (INCOME) EXPENSE, NET

	THREE MONTHS ENDED NOVEMBER 30,		SIX MONTHS ENDED NOVEMBER 30,	
(Dollars in millions)	2023	2022	2023	2022
Other (income) expense, net	$ (75)	$ (79)	$ (85)	$ (225)

Other (income) expense, net comprises foreign currency conversion gains and losses from the remeasurement of monetary assets and liabilities denominated in non-functional currencies and the impact of certain foreign currency derivative instruments, as well as unusual or non-operating transactions that are outside the normal course of business.

For the second quarter of fiscal 2024, Other (income) expense, net decreased from $79 million of other income, net, to $75 million of other income, net, in the current year, primarily due to a net unfavorable change in foreign currency conversion gains and losses, including hedges, partially offset by the loss recognized in the prior year upon completion of the sale of our entities in Argentina and Uruguay to a third-party distributor.

For the first six months of fiscal 2024, Other (income) expense, net decreased from $225 million of other income, net, to $85 million of other income, net, in the current year, primarily due to a net unfavorable change in foreign currency conversion gains and losses, including hedges, as well as net favorable settlements of legal matters in the prior year, partially offset by the loss recognized in the prior year upon completion of the sale of our entities in Argentina and Uruguay to a third-party distributor.

We estimate the combination of the translation of foreign currency-denominated profits from our international businesses and the year-over-year change in foreign currency-related gains and losses included in Other (income) expense, net had unfavorable impacts of approximately $37 million and $102 million on our Income before income taxes for the second quarter and first six months of fiscal 2024.

INCOME TAXES

	THREE MONTHS ENDED NOVEMBER 30,			SIX MONTHS ENDED NOVEMBER 30,		
	2023	2022	% CHANGE	2023	2022	% CHANGE
Effective tax rate	17.9 %	19.3 %	(140) bps	15.2 %	19.5 %	(430) bps

Our effective tax rate was 17.9% for the second quarter of fiscal 2024 compared to 19.3% for the second quarter of fiscal 2023, primarily due to a one-time benefit provided by the reduction in accrued withholding taxes on undistributed foreign earnings.

Our effective tax rate was 15.2% for the first six months of fiscal 2024, compared to 19.5% for the first six months of fiscal 2023, primarily due to one-time benefits provided by the delay of the effective date of certain U.S. foreign tax credit regulations and a reduction in accrued withholding taxes on undistributed foreign earnings.

For additional information, refer to Note 4 — Income Taxes within the accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Table of Contents

OPERATING SEGMENTS

As discussed in Note 10 — Operating Segments in the accompanying Notes to the Unaudited Condensed Consolidated Financial Statements, our operating segments are evidence of the structure of the Company's internal organization. The NIKE Brand segments are defined by geographic regions for operations participating in NIKE Brand sales activity.

The breakdown of Revenues is as follows:

	THREE MONTHS ENDED NOVEMBER 30,				SIX MONTHS ENDED NOVEMBER 30,			
(Dollars in millions)	2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES[1]	2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES[1]
North America	$ 5,625	$ 5,830	-4 %	-3 %	$ 11,048	$ 11,340	-3 %	-2 %
Europe, Middle East & Africa	3,567	3,489	2 %	-3 %	7,177	6,822	5 %	2 %
Greater China	1,863	1,788	4 %	8 %	3,598	3,444	4 %	10 %
Asia Pacific & Latin America	1,805	1,599	13 %	10 %	3,377	3,134	8 %	7 %
Global Brand Divisions[2]	12	18	-33 %	-41 %	25	32	-22 %	-25 %
TOTAL NIKE BRAND	**12,872**	**12,724**	**1 %**	**0 %**	**25,225**	**24,772**	**2 %**	**2 %**
Converse	519	586	-11 %	-13 %	1,107	1,229	-10 %	-11 %
Corporate[3]	(3)	5	—	—	(5)	1	—	—
TOTAL NIKE, INC. REVENUES	**$ 13,388**	**$ 13,315**	**1 %**	**-1 %**	**$ 26,327**	**$ 26,002**	**1 %**	**1 %**

(1) The percent change excluding currency changes represents a non-GAAP financial measure. For additional information, see "Use of Non-GAAP Financial Measures".

(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 our central foreign exchange risk management program.

The primary financial measure used by the Company to evaluate performance of individual operating segments is EBIT. As discussed in Note 10 — Operating Segments in the accompanying Notes to the Unaudited Condensed Consolidated Financial Statements, certain corporate costs are not included in EBIT of our operating segments.

The breakdown of EBIT is as follows:

	THREE MONTHS ENDED NOVEMBER 30,			SIX MONTHS ENDED NOVEMBER 30,		
(Dollars in millions)	2023	2022	% CHANGE	2023	2022	% CHANGE
North America	$ 1,526	$ 1,497	2 %	$ 2,960	$ 2,874	3 %
Europe, Middle East & Africa	927	990	-6 %	1,857	1,965	-5 %
Greater China	514	511	1 %	1,039	1,052	-1 %
Asia Pacific & Latin America	521	485	7 %	935	985	-5 %
Global Brand Divisions	(1,168)	(1,226)	5 %	(2,373)	(2,413)	2 %
TOTAL NIKE BRAND[1]	**2,320**	**2,257**	**3 %**	**4,418**	**4,463**	**-1 %**
Converse	115	153	-25 %	282	362	-22 %
Corporate	(535)	(744)	28 %	(1,186)	(1,318)	10 %
TOTAL NIKE, INC. EARNINGS BEFORE INTEREST AND TAXES[1]	**1,900**	**1,666**	**14 %**	**3,514**	**3,507**	**0 %**
EBIT margin[1]	*14.2 %*	*12.5 %*		*13.3 %*	*13.5 %*	
Interest expense (income), net	(22)	16	—	(56)	29	—
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES	**$ 1,922**	**$ 1,650**	**16 %**	**$ 3,570**	**$ 3,478**	**3 %**

(1) Total NIKE Brand EBIT, Total NIKE, Inc. EBIT and EBIT margin represent non-GAAP financial measures. For additional information, see "Use of Non-GAAP Financial Measures".

NORTH AMERICA

(Dollars in millions)	THREE MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES	SIX MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES
Revenues by:								
Footwear	$ 3,757	$ 3,963	-5 %	-5 %	$ 7,490	$ 7,768	-4 %	-3 %
Apparel	1,668	1,685	-1 %	-1 %	3,147	3,179	-1 %	-1 %
Equipment	200	182	10 %	10 %	411	393	5 %	5 %
TOTAL REVENUES	**$ 5,625**	**$ 5,830**	**-4 %**	**-3 %**	**$ 11,048**	**$ 11,340**	**-3 %**	**-2 %**
Revenues by:								
Sales to Wholesale Customers	$ 2,902	$ 3,183	-9 %	-9 %	$ 5,674	$ 6,210	-9 %	-9 %
Sales through NIKE Direct	2,723	2,647	3 %	3 %	5,374	5,130	5 %	5 %
TOTAL REVENUES	**$ 5,625**	**$ 5,830**	**-4 %**	**-3 %**	**$ 11,048**	**$ 11,340**	**-3 %**	**-2 %**
EARNINGS BEFORE INTEREST AND TAXES	**$ 1,526**	**$ 1,497**	**2 %**		**$ 2,960**	**$ 2,874**	**3 %**	

SECOND QUARTER OF FISCAL 2024 COMPARED TO SECOND QUARTER OF FISCAL 2023

- North America revenues decreased 3% on a currency-neutral basis due to lower revenues in Men's, Kids' and Women's, partially offset by higher revenues in the Jordan Brand. Wholesale revenues decreased 9%, reflecting our proactive decisions to prioritize marketplace health in the current year coupled with our liquidation of excess inventory in the prior year. NIKE Direct revenues increased 3%, driven by digital sales growth of 2%, comparable store sales growth of 1% and the addition of new stores.
- Footwear revenues decreased 5% on a currency-neutral basis due to lower revenues in Men's, Kids' and Women's, partially offset by higher revenues in the Jordan Brand. Unit sales of footwear decreased 17%, while higher ASP per pair contributed approximately 12 percentage points of footwear revenue growth. Higher ASP per pair was primarily due to higher full-price and NIKE Direct ASPs as well as growth in NIKE Direct.
- Apparel revenues decreased 1% on a currency-neutral basis, primarily due to lower revenues in Men's, partially offset by higher revenues in Kids' and Women's. Unit sales of apparel decreased 16%, while higher ASP per unit contributed 15 percentage points of apparel revenue growth. Higher ASP per unit was primarily due to higher full-price and NIKE Direct ASPs.

Reported EBIT increased 2% reflecting lower revenues and the following:

- Gross margin expansion of 240 basis points primarily due to higher full-price ASP, net of discounts, largely due to strategic pricing actions and lower discounts. This was partially offset by higher product costs, reflecting higher product input costs partially offset by lower ocean freight rates, and lower margin in NIKE Direct.
- Selling and administrative expense increase of 2% driven by higher operating overhead expense. The increase in operating overhead expense was primarily due to an increase in NIKE Direct variable costs, partially offset by lower wage-related expenses. Demand creation expense was flat as lower sports marketing expense was offset by higher digital marketing.

FIRST SIX MONTHS OF FISCAL 2024 COMPARED TO FIRST SIX MONTHS OF FISCAL 2023

- North America revenues decreased 2% on a currency-neutral basis due to lower revenues in Men's, Women's and Kids', partially offset by higher revenues in the Jordan Brand. Wholesale revenues decreased 9%, reflecting our proactive decisions to prioritize marketplace health in the current year coupled with our liquidation of excess inventory in the prior year. NIKE Direct revenues increased 5%, driven by comparable sales growth of 4%, the addition of new stores and digital sales growth of 3%.
- Footwear revenues decreased 3% on a currency-neutral basis due to lower revenues in Men's, Kids' and Women's, partially offset by higher revenues in the Jordan Brand. Unit sales of footwear decreased 15%, while higher ASP per pair contributed approximately 12 percentage points of footwear revenue growth. Higher ASP per pair was primarily due to higher full-price and NIKE Direct ASPs as well as growth in NIKE Direct.
- Apparel revenues decreased 1% on a currency-neutral basis due to lower revenues in Men's, Women's and the Jordan Brand, partially offset by higher revenues in Kids'. Unit sales of apparel decreased 17%, while higher ASP per unit contributed 16 percentage points of apparel revenue growth. Higher ASP per unit was primarily due to higher full-price and NIKE Direct ASPs.

Reported EBIT increased 3% reflecting lower revenues and the following:

- Gross margin expansion of 240 basis points primarily due to higher full-price ASP, net of discounts, largely due to strategic pricing actions and lower discounts. This was partially offset by higher product costs, reflecting higher product input costs partially offset by lower ocean freight rates.
- Selling and administrative expense increase of 3% driven by higher operating overhead expense. The increase in operating overhead expense was primarily due to higher NIKE Direct variable costs. Demand creation expense was flat as lower sports marketing expense and lower advertising and marketing expense was offset by higher digital marketing.

EUROPE, MIDDLE EAST & AFRICA

	THREE MONTHS ENDED NOVEMBER 30,				SIX MONTHS ENDED NOVEMBER 30,			
(Dollars in millions)	2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES	2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES
Revenues by:								
Footwear	$ 2,186	$ 2,063	6 %	1 %	$ 4,446	$ 4,075	9 %	6 %
Apparel	1,200	1,281	-6 %	-10 %	2,337	2,434	-4 %	-7 %
Equipment	181	145	25 %	18 %	394	313	26 %	21 %
TOTAL REVENUES	**$ 3,567**	**$ 3,489**	**2 %**	**-3 %**	**$ 7,177**	**$ 6,822**	**5 %**	**2 %**
Revenues by:								
Sales to Wholesale Customers	$ 2,138	$ 2,242	-5 %	-8 %	$ 4,517	$ 4,445	2 %	-1 %
Sales through NIKE Direct	1,429	1,247	15 %	7 %	2,660	2,377	12 %	7 %
TOTAL REVENUES	**$ 3,567**	**$ 3,489**	**2 %**	**-3 %**	**$ 7,177**	**$ 6,822**	**5 %**	**2 %**
EARNINGS BEFORE INTEREST AND TAXES	**$ 927**	**$ 990**	**-6 %**		**$ 1,857**	**$ 1,965**	**-5 %**	

SECOND QUARTER OF FISCAL 2024 COMPARED TO SECOND QUARTER OF FISCAL 2023

- EMEA revenues decreased 3% on a currency-neutral basis due to lower revenues in Women's, Kids' and Men's, partially offset by higher revenues in the Jordan Brand. Wholesale revenues decreased 8%, reflecting our proactive decisions to prioritize marketplace health in the current year coupled with our liquidation of excess inventory in the prior year. NIKE Direct revenues increased 7%, driven by digital sales growth of 7%, comparable store sales growth of 8% and the addition of new stores.
- Footwear revenues increased 1% on a currency-neutral basis due to higher revenues in Men's and the Jordan Brand, largely offset by lower revenues in Kids' and Women's. Unit sales of footwear decreased 5%, while higher ASP per pair contributed approximately 6 percentage points of footwear revenue growth. Higher ASP per pair was primarily due to growth in NIKE Direct and higher full-price ASP.
- Apparel revenues decreased 10% on a currency-neutral basis primarily due to lower revenues in Men's, Women's and Kids'. Unit sales of apparel decreased 21%, while higher ASP per unit contributed approximately 11 percentage points of apparel revenue growth. Higher ASP per unit was primarily due to higher full-price and NIKE Direct ASPs.

Reported EBIT decreased 6% reflecting higher revenues and the following:

- Gross margin contraction of 140 basis points largely due to unfavorable changes in standard foreign currency exchange rates, partially offset by lower product costs, reflecting lower ocean freight rates, higher full-price ASP, net of discounts, primarily due to strategic pricing actions, and higher margin in NIKE Direct.
- Selling and administrative expense increase of 8% due to higher demand creation and operating overhead expense. Demand creation expense increased primarily due to higher sports marketing expense and unfavorable changes in foreign currency exchange rates. Operating overhead expense increased primarily due to unfavorable changes in foreign currency exchange rates.

FIRST SIX MONTHS OF FISCAL 2024 COMPARED TO FIRST SIX MONTHS OF FISCAL 2023

- EMEA revenues increased 2% on a currency-neutral basis due to higher revenues in Men's, partially offset by lower revenues in Kids', Women's and the Jordan Brand. NIKE Direct revenues increased 7%, driven by comparable store sales growth of 11%, the addition of new stores and digital sales growth of 3%.
- Footwear revenues increased 6% on a currency-neutral basis, primarily due to higher revenues in Men's and Women's, partially offset by lower revenues in Kids'. Unit sales of footwear decreased 1%, while higher ASP per pair contributed approximately 7 percentage points of footwear revenue growth. Higher ASP per pair was primarily due to higher full-price ASP and growth in NIKE Direct.
- Apparel revenues decreased 7% on a currency-neutral basis due to lower revenues in Men's, Women's, the Jordan Brand and Kids'. Unit sales of apparel decreased 18%, while higher ASP per unit contributed approximately 11 percentage points of apparel revenue growth. Higher ASP per unit was primarily due to higher full-price and NIKE Direct ASPs.

Reported EBIT decreased 5% reflecting higher revenues and the following:

- Gross margin contraction of 220 basis points largely due to unfavorable changes in standard foreign currency exchange rates, partially offset by higher full-price ASP, net of discounts, primarily due to strategic pricing actions and higher margin in NIKE Direct.
- Selling and administrative expense increase of 9% due to higher operating overhead and demand creation expense. Operating overhead expense increased primarily due to higher wage-related expenses, other administrative costs and unfavorable changes in foreign currency exchange rates. Demand creation expense increased primarily due to higher sports marketing expense and unfavorable changes in foreign currency exchange rates.

GREATER CHINA

(Dollars in millions)	THREE MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES	SIX MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES
Revenues by:								
Footwear	$ 1,361	$ 1,370	-1 %	3 %	$ 2,648	$ 2,603	2 %	7 %
Apparel	469	393	19 %	24 %	870	767	13 %	19 %
Equipment	33	25	32 %	36 %	80	74	8 %	12 %
TOTAL REVENUES	**$ 1,863**	**$ 1,788**	**4 %**	**8 %**	**$ 3,598**	**$ 3,444**	**4 %**	**10 %**
Revenues by:								
Sales to Wholesale Customers	$ 1,027	$ 897	14 %	19 %	$ 1,922	$ 1,736	11 %	17 %
Sales through NIKE Direct	836	891	-6 %	-4 %	1,676	1,708	-2 %	3 %
TOTAL REVENUES	**$ 1,863**	**$ 1,788**	**4 %**	**8 %**	**$ 3,598**	**$ 3,444**	**4 %**	**10 %**
EARNINGS BEFORE INTEREST AND TAXES	**$ 514**	**$ 511**	**1 %**		**$ 1,039**	**$ 1,052**	**-1 %**	

SECOND QUARTER OF FISCAL 2024 COMPARED TO SECOND QUARTER OF FISCAL 2023

- Greater China revenues increased 8% on a currency-neutral basis due to higher revenues in Men's, the Jordan Brand, Women's and Kids'. NIKE Direct revenues decreased 4% due to digital sales declines of 22%, reflecting reduced digital traffic, partially offset by comparable store sales growth of 7% and growth in non-comparable store sales.
- Footwear revenues increased 3% on a currency-neutral basis due to higher revenues in Men's, the Jordan Brand, Kids' and Women's. Unit sales of footwear increased 3% and ASP per pair was flat, as lower NIKE Direct ASP and a lower mix of NIKE Direct sales were offset by higher full-price and off-price ASPs.
- Apparel revenues increased 24% on a currency-neutral basis due to higher revenues in Men's, the Jordan Brand, Women's and Kids'. Unit sales of apparel increased 16%, while higher ASP per unit contributed approximately 8 percentage points of apparel revenue growth. Higher ASP per unit was primarily due to higher NIKE Direct and off-price ASPs.

Reported EBIT increased 1% reflecting higher revenues and the following:

- Gross margin expansion of approximately 80 basis points, primarily due to lower product costs, reflecting product mix, partially offset by unfavorable changes in standard foreign currency exchange rates and lower ASP, net of discounts, reflecting product mix partially offset by lower discounts.
- Selling and administrative expense increase of 7% primarily due to higher operating overhead expense. Operating overhead expense increased due to higher NIKE Direct costs, partially offset by favorable changes in foreign currency exchange rates.

FIRST SIX MONTHS OF FISCAL 2024 COMPARED TO FIRST SIX MONTHS OF FISCAL 2023

- Greater China revenues increased 10% on a currency-neutral basis due to higher revenues in Men's, the Jordan Brand, Women's and Kids'. NIKE Direct revenues increased 3% due to comparable store sales growth of 7% and growth in non-comparable store sales, partially offset by digital sales declines of 10%, reflecting reduced digital traffic.
- Footwear revenues increased 7% on a currency-neutral basis due to higher revenues in the Jordan Brand, Men's, Women's and Kids'. Unit sales of footwear increased 6%, while higher ASP per pair contributed approximately 1 percentage point of footwear revenue growth. Higher ASP per pair was primarily due to higher full-price ASP, partially offset by lower NIKE Direct ASP.
- Apparel revenues increased 19% on a currency-neutral basis, primarily due to higher revenues in Men's, Women's, and Kids'. Unit sales of apparel increased 5%, while higher ASP per unit contributed approximately 14 percentage points of apparel revenue growth. Higher ASP per unit was primarily due to higher NIKE Direct and full-price ASPs, as well as a higher mix of full-price sales.

Reported EBIT decreased 1% reflecting higher revenues and the following:

- Flat gross margin, primarily due to unfavorable changes in standard foreign currency exchange rates offset by higher full-price ASP, net of discounts, largely due to lower discounts.
- Selling and administrative expense increase of 7% primarily due to higher operating overhead and demand creation expense. Operating overhead expense increased primarily due to higher NIKE Direct costs, partially offset by favorable changes in foreign currency exchange rates. Demand creation expense increased primarily due to higher advertising and marketing expense, partially offset by favorable changes in foreign currency exchange rates.

ASIA PACIFIC & LATIN AMERICA

(Dollars in millions)	THREE MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES	SIX MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES
Revenues by:								
Footwear	$ 1,303	$ 1,108	18 %	15 %	$ 2,444	$ 2,172	13 %	11 %
Apparel	437	435	0 %	-2 %	808	848	-5 %	-5 %
Equipment	65	56	16 %	15 %	125	114	10 %	9 %
TOTAL REVENUES	**$ 1,805**	**$ 1,599**	**13 %**	**10 %**	**$ 3,377**	**$ 3,134**	**8 %**	**7 %**
Revenues by:								
Sales to Wholesale Customers	$ 1,051	$ 965	9 %	7 %	$ 1,988	$ 1,879	6 %	5 %
Sales through NIKE Direct	754	634	19 %	15 %	1,389	1,255	11 %	9 %
TOTAL REVENUES	**$ 1,805**	**$ 1,599**	**13 %**	**10 %**	**$ 3,377**	**$ 3,134**	**8 %**	**7 %**
EARNINGS BEFORE INTEREST AND TAXES	**$ 521**	**$ 485**	**7 %**		**$ 935**	**$ 985**	**-5 %**	

We completed the sale of our entity in Chile and our entities in Argentina and Uruguay to third-party distributors in the first and second quarters of fiscal 2023, respectively. The impacts from closing these transactions are included within Corporate and are not reflected in the Asia Pacific & Latin America operating segment results. This completed the transition of our NIKE Brand businesses within our Central and South America ("CASA") marketplace, which now reflects a full distributor operating model.

SECOND QUARTER OF FISCAL 2024 COMPARED TO SECOND QUARTER OF FISCAL 2023

- APLA revenues increased 10% on a currency-neutral basis due to higher revenues across most territories, led by Southeast Asia & India, Korea and Mexico. Revenues increased due to overall growth in Men's, the Jordan Brand, Women's and Kids'. NIKE Direct revenues increased 15%, driven by digital sales growth of 14%, comparable store sales growth of 11% and the addition of new stores.
- Footwear revenues increased 15% on a currency-neutral basis, due to higher revenues in Men's, Women's, the Jordan Brand and Kids'. Unit sales of footwear increased 10%, while higher ASP per unit contributed approximately 5 percentage points of footwear revenue growth. Higher ASP per pair was primarily due to higher full-price ASP, growth in NIKE Direct and higher off-price ASP, partially offset by lower NIKE Direct ASP.
- Apparel revenues decreased 2% on a currency-neutral basis, primarily due to lower revenues in Men's and Women's. Unit sales of apparel decreased 9%, while higher ASP per unit contributed approximately 7 percentage points of apparel revenue growth. Higher ASP per unit was primarily due to higher full-price ASP, growth in NIKE Direct and higher off-price ASP, partially offset by lower NIKE Direct ASP.

Reported EBIT increased 7% reflecting higher revenues and the following:

- Gross margin contraction of approximately 200 basis points primarily due to unfavorable changes in standard foreign currency exchange rates and lower margin in NIKE Direct. This was partially offset by higher full-price ASP, net of discounts, primarily due to strategic pricing actions.
- Selling and administrative expense increase of 9% due to higher demand creation and operating overhead expense. Demand creation expense increased primarily due to higher digital marketing and sports marketing expense. Operating overhead expense increased primarily due to higher wage-related expenses and NIKE Direct variable costs.

FIRST SIX MONTHS OF FISCAL 2024 COMPARED TO FIRST SIX MONTHS OF FISCAL 2023

- APLA revenues increased 7% on a currency-neutral basis due to higher revenues across most territories, led by Southeast Asia & India, Japan, Mexico and Korea, partially offset by lower revenues in CASA. Within our CASA territory, the transition of our Chile, Argentina and Uruguay entities to a third-party distributor operating model did not have a material impact on APLA revenues. Revenues increased due to overall growth in Men's, the Jordan Brand, Women's and Kids'. NIKE Direct revenues increased 9%, driven by comparable store sales growth of 11%, the addition of new stores and digital sales growth of 6%.
- Footwear revenues increased 11% on a currency-neutral basis due to higher revenues in Men's, Women's, the Jordan Brand and Kids'. Unit sales of footwear increased 8%, while higher ASP per unit contributed approximately 3 percentage points of footwear revenue growth. Higher ASP per pair was primarily due to higher full-price ASP, growth in NIKE Direct and higher off-price ASP, partially offset by lower NIKE Direct ASP.

- Apparel revenues decreased 5% on a currency-neutral basis, primarily due to lower revenues in Men's and Women's. Unit sales of apparel decreased 13%, while higher ASP per unit contributed approximately 8 percentage points of apparel revenue growth. Higher ASP per unit was primarily due to higher full-price ASP, growth in NIKE Direct and higher off-price ASP, partially offset by lower NIKE Direct ASP.

Reported EBIT decreased 5% reflecting higher revenues and the following:

- Gross margin contraction of approximately 310 basis points primarily due to unfavorable changes in standard foreign currency exchange rates, lower margin in NIKE Direct and higher product costs, reflecting higher product input costs. This was partially offset by higher full-price ASP, net of discounts.
- Selling and administrative expense increase of 12% due to higher demand creation and operating overhead expense. Demand creation expense increased primarily due to higher marketing expense. Operating overhead expense increased primarily due to higher wage-related expenses and NIKE Direct variable costs.

GLOBAL BRAND DIVISIONS

	THREE MONTHS ENDED NOVEMBER 30,				SIX MONTHS ENDED NOVEMBER 30,			
(Dollars in millions)	2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES	2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES
Revenues	$ 12	$ 18	-33 %	-41 %	$ 25	$ 32	-22 %	-25 %
Earnings (Loss) Before Interest and Taxes	$ (1,168)	$ (1,226)	5 %		$ (2,373)	$ (2,413)	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.

SECOND QUARTER OF FISCAL 2024 COMPARED TO SECOND QUARTER OF FISCAL 2023

Global Brand Divisions' loss before interest and taxes decreased 5% primarily due to lower operating overhead and demand creation expense. Lower operating overhead expense was primarily due to lower technology spend and wage-related costs. Lower demand creation expense was primarily due to decreased advertising and marketing expense.

FIRST SIX MONTHS OF FISCAL 2024 COMPARED TO FIRST SIX MONTHS OF FISCAL 2023

Global Brand Divisions' loss before interest and taxes decreased 2% primarily due to lower operating overhead expense partially offset by higher demand creation expense. Lower operating overhead expense was primarily due to lower technology spend and lower wage-related costs. Higher demand creation expense was primarily due to higher advertising and marketing expense.

CONVERSE

(Dollars in millions)	THREE MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES	SIX MONTHS ENDED NOVEMBER 30, 2023	2022	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES
Revenues by:								
Footwear	$ 442	$ 517	-15 %	-16 %	$ 964	$ 1,093	-12 %	-13 %
Apparel	30	21	43 %	45 %	50	42	19 %	22 %
Equipment	7	6	17 %	20 %	18	14	29 %	28 %
Other[1]	40	42	-5 %	-5 %	75	80	-6 %	-6 %
TOTAL REVENUES	**$ 519**	**$ 586**	**-11 %**	**-13 %**	**$ 1,107**	**$ 1,229**	**-10 %**	**-11 %**
Revenues by:								
Sales to Wholesale Customers	$ 257	$ 304	-15 %	-17 %	$ 586	$ 647	-9 %	-11 %
Sales through Direct to Consumer	222	240	-8 %	-9 %	446	502	-11 %	-11 %
Other[1]	40	42	-5 %	-5 %	75	80	-6 %	-6 %
TOTAL REVENUES	**$ 519**	**$ 586**	**-11 %**	**-13 %**	**$ 1,107**	**$ 1,229**	**-10 %**	**-11 %**
EARNINGS BEFORE INTEREST AND TAXES	**$ 115**	**$ 153**	**-25 %**		**$ 282**	**$ 362**	**-22 %**	

(1) Other revenues consist of territories serviced by third-party licensees who pay royalties to Converse for the use of its registered trademarks and other intellectual property rights. We do not own the Converse trademarks in Japan and accordingly do not earn revenues in Japan.

SECOND QUARTER OF FISCAL 2024 COMPARED TO SECOND QUARTER OF FISCAL 2023

- Converse revenues decreased 13% on a currency-neutral basis as revenue declines in North America and Western Europe were partially offset by growth in Asia. Combined unit sales within the wholesale and direct to consumer channels decreased 13%, driven primarily by a decrease in wholesale, while ASP was flat.
- Wholesale revenues decreased 17% on a currency-neutral basis, as declines in North America and Western Europe were partially offset by growth in Asia.
- Direct to consumer revenues decreased 9% on a currency-neutral basis primarily due to reduced traffic in North America.

Reported EBIT decreased 25% reflecting lower revenues and the following:

- Gross margin contraction of approximately 160 basis points due to lower margin in direct to consumer and unfavorable changes in standard foreign currency exchange rates, offset by lower ocean freight rates.
- Selling and administrative expense decrease of 8% due to lower demand creation and operating overhead expense. Demand creation expense decreased as a result of lower advertising and marketing costs while operating overhead expense decreased primarily as a result of lower wage-related expenses.

FIRST SIX MONTHS OF FISCAL 2024 COMPARED TO FIRST SIX MONTHS OF FISCAL 2023

- Converse revenues decreased 11% on a currency-neutral basis as revenue declines in North America and Western Europe were partially offset by growth in Asia. Combined unit sales within the wholesale and direct to consumer channels decreased 9% and ASP decreased 2%, reflecting promotional activity in direct to consumer.
- Wholesale revenues decreased 11% on a currency-neutral basis, as declines in North America and Western Europe were partially offset by growth in Asia.
- Direct to consumer revenues decreased 11% on a currency-neutral basis primarily due to reduced traffic in North America.

Reported EBIT decreased 22% reflecting lower revenues and the following:

- Gross margin contraction of approximately 180 basis points due to unfavorable changes in standard foreign currency exchange rates, lower margin in direct to consumer, and higher other costs, slightly offset by lower product costs and ocean freight rates.
- Selling and administrative expense decrease of 4% due to lower operating overhead and demand creation expense. Operating overhead expense decreased primarily as a result of lower wage-related expenses while demand creation expense decreased due to lower advertising and marketing costs.

CORPORATE

	THREE MONTHS ENDED NOVEMBER 30,			SIX MONTHS ENDED NOVEMBER 30,		
(Dollars in millions)	2023	2022	% CHANGE	2023	2022	% CHANGE
Revenues	$ (3)	$ 5	—	$ (5)	$ 1	—
Earnings (Loss) Before Interest and Taxes	$ (535)	$ (744)	28 %	$ (1,186)	$ (1,318)	10 %

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 our central foreign exchange risk management program.

The Corporate loss before interest and taxes primarily consists of unallocated general and administrative expenses, including expenses associated with centrally managed departments; depreciation and amortization related to our corporate headquarters; unallocated insurance, benefit and compensation programs, including stock-based compensation; and certain foreign currency gains and losses.

In addition to the foreign currency gains and losses recognized in Corporate revenues, foreign currency results in Corporate include gains and losses resulting from the difference between actual foreign currency exchange rates and standard rates used to record non-functional currency denominated product purchases within the NIKE Brand geographic operating segments and Converse; related foreign currency hedge results; conversion gains and losses arising from remeasurement of monetary assets and liabilities in non-functional currencies; and certain other foreign currency derivative instruments.

SECOND QUARTER OF FISCAL 2024 COMPARED TO SECOND QUARTER OF FISCAL 2023

Corporate's loss before interest and taxes decreased $209 million for the second quarter of fiscal 2024, primarily due to the following:

- a favorable change of $213 million related to the difference between actual foreign currency exchange rates and standard foreign currency exchange rates assigned to the NIKE Brand geographic operating segments and Converse, net of hedge gains and losses; these results are reported as a component of consolidated gross margin;
- a favorable change of $24 million related to the loss recognized in the prior year upon completion of the sale of our entities in Argentina and Uruguay to a third-party distributor, partially offset by the remeasurement of monetary assets and liabilities denominated in non-functional currencies and the impact of certain foreign currency derivative instruments, reported as a component of consolidated Other (income) expense, net; and
- an unfavorable change of $33 million primarily related to professional services, reported as a component of consolidated Operating overhead expense.

FIRST SIX MONTHS OF FISCAL 2024 COMPARED TO FIRST SIX MONTHS OF FISCAL 2023

Corporate's loss before interest and taxes decreased $132 million for the first six months of fiscal 2024, primarily due to the following:

- a favorable change of $318 million related to the difference between actual foreign currency exchange rates and standard foreign currency exchange rates assigned to the NIKE Brand geographic operating segments and Converse, net of hedge gains and losses; these results are reported as a component of consolidated gross margin;
- an unfavorable change of $92 million primarily related to the remeasurement of monetary assets and liabilities denominated in non-functional currencies and the impact of certain foreign currency derivative instruments, as well as net favorable settlements of legal matters in the prior year, partially offset by the loss recognized in the prior year upon completion of the sale of our entities in Argentina and Uruguay to a third-party distributor, reported as a component of consolidated Other (income) expense, net; and
- an unfavorable change of $92 million primarily related to increased professional services and wage-related expenses, reported as a component of consolidated Operating overhead expense.

FOREIGN CURRENCY EXPOSURES AND HEDGING PRACTICES

OVERVIEW

As a global company with significant operations outside the United States, in the normal course of business we are exposed to risk arising from changes in currency exchange rates. Our primary foreign currency exposures arise from the recording of transactions denominated in non-functional currencies and the translation of foreign currency denominated results of operations, financial position and cash flows into U.S. Dollars.

Our foreign exchange risk management program is intended to lessen both the positive and negative effects of currency fluctuations on our consolidated results of operations, financial position and cash flows. We manage global foreign exchange risk centrally on a portfolio basis to address those risks material to NIKE, Inc. Our hedging policy is designed to partially or entirely offset the impact of exchange rate changes on the underlying net exposures being hedged. Where exposures are hedged, our program has the effect of delaying the impact of exchange rate movements on our Unaudited Condensed Consolidated Financial Statements; the length of the delay is dependent upon hedge horizons. We do not hold or issue derivative instruments for trading or speculative purposes. As of and for the three and six months ended November 30, 2023, there have been no material changes to the Company's hedging program or strategy from what was disclosed within the Annual Report on Form 10-K for the fiscal year ended May 31, 2023 (the "Annual Report").

Refer to Note 3 — Fair Value Measurements and Note 7 — Risk Management and Derivatives in the accompanying Notes to the Unaudited Condensed Consolidated Financial Statements for additional description of outstanding derivatives at each reported period end. For additional information about our Foreign Currency Exposures and Hedging Practices, refer to Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations within the Annual Report.

TRANSACTIONAL EXPOSURES

We conduct business in various currencies and have transactions which subject us to foreign currency risk. Our most significant transactional foreign currency exposures are:

- Product Costs — Product purchases denominated in currencies other than the functional currency of the transacting entity and factory input costs from the foreign currency adjustments program with certain factories.
- Non-Functional Currency Denominated External Sales — A portion of our NIKE Brand and Converse revenues associated with European operations are earned in currencies other than the Euro (e.g., the British Pound) but are recognized at a subsidiary that uses the Euro as its functional currency. These sales generate a foreign currency exposure.
- Other Costs — Non-functional currency denominated costs, such as endorsement contracts, also generate foreign currency risk, though to a lesser extent.
- Non-Functional Currency Denominated Monetary Assets and Liabilities — Our global subsidiaries have various monetary assets and liabilities, primarily receivables and payables, including intercompany receivables and payables, denominated in currencies other than their functional currencies. These balance sheet items are subject to remeasurement which may create fluctuations in Other (income) expense, net within our Unaudited Condensed Consolidated Statements of Income.

MANAGING TRANSACTIONAL EXPOSURES

Transactional exposures are managed on a portfolio basis within our foreign currency risk management program. We manage these exposures by taking advantage of natural offsets and currency correlations that exist within the portfolio and may also elect to use currency forward and option contracts to hedge the remaining effect of exchange rate fluctuations on probable forecasted future cash flows, including certain product cost exposures, non-functional currency denominated external sales and other costs described above. Generally, these are accounted for as cash flow hedges.

Certain currency forward contracts used to manage the foreign exchange exposure of non-functional currency denominated monetary assets and liabilities subject to remeasurement are not formally designated as hedging instruments. Accordingly, changes in fair value of these instruments are recognized in Other (income) expense, net within our Unaudited Condensed Consolidated Statements of Income and are intended to offset the foreign currency impact of the remeasurement of the related non-functional currency denominated asset or liability being hedged.

TRANSLATIONAL EXPOSURES

Many of our foreign subsidiaries operate in functional currencies other than the U.S. Dollar. Fluctuations in currency exchange rates create volatility in our reported results as we are required to translate the balance sheets, operational results and cash flows of these subsidiaries into U.S. Dollars for consolidated reporting. The translation of foreign subsidiaries' non-U.S. Dollar denominated balance sheets into U.S. Dollars for consolidated reporting results in a cumulative translation adjustment to Accumulated other comprehensive income (loss) within Shareholders' equity. The impact of foreign exchange rate fluctuations on the translation of our consolidated Revenues was a benefit of approximately $161 million and $104 million for the three and six months ended November 30, 2023, respectively, and a detriment of approximately $1,132 million and $1,955 million for the three and six months ended November 30, 2022, respectively. The impact of foreign exchange rate fluctuations on the translation of our Income before income taxes was a benefit of approximately $66 million and $64 million for the three and six months ended November 30, 2023, respectively, and a detriment of approximately $316 million and $569 million for the three and six months ended November 30, 2022, respectively.

MANAGING TRANSLATIONAL EXPOSURES

To minimize the impact of translating foreign currency denominated revenues and expenses into U.S. Dollars for consolidated reporting, certain foreign subsidiaries use excess cash to purchase U.S. Dollar denominated available-for-sale investments. The variable future cash flows associated with the purchase and subsequent sale of these U.S. Dollar denominated investments at non-U.S. Dollar functional currency subsidiaries creates a foreign currency exposure that qualifies for hedge accounting under U.S. GAAP. We utilize forward contracts and/or options to mitigate the variability of the forecasted future purchases and sales of these U.S. Dollar investments. The combination of the purchase and sale of the U.S. Dollar investment and the hedging instrument has the effect of partially offsetting the year-over-year foreign currency translation impact on net earnings in the period the investments are sold. Hedges of the purchase of U.S. Dollar denominated available-for-sale investments are accounted for as cash flow hedges.

We estimate the combination of translation of foreign currency-denominated profits from our international businesses and the year-over-year change in foreign currency related gains and losses included in Other (income) expense, net had an unfavorable impact of approximately $37 million and $102 million of our Income before income taxes for the three and six months ended November 30, 2023, respectively.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW ACTIVITY

Cash provided (used) by operations was an inflow of $2,751 million for the first six months of fiscal 2024 compared to $1,358 million for the first six months of fiscal 2023. Net income, adjusted for non-cash items, generated $3,613 million of operating cash inflow for the first six months of fiscal 2024, compared to $3,367 million for the first six months of fiscal 2023. The net change in working capital and other assets and liabilities resulted in a decrease to Cash provided (used) by operations of $862 million for the first six months of fiscal 2024 compared to a decrease $2,009 million for the first six months of fiscal 2023. The favorable net change in working capital was primarily impacted by favorable changes to Inventories due to reduced inventory purchases and improved lead times in the current period.

Cash provided (used) by investing activities was an inflow of $875 million for the first six months of fiscal 2024, compared to an outflow of $23 million for the first six months of fiscal 2023, primarily driven by the net change in short-term investments (including sales, maturities and purchases). For the first six months of fiscal 2024, the net change in short-term investments resulted in a cash inflow of $1,343 million compared to a cash inflow of $423 million for the first six months of fiscal 2023.

Cash provided (used) by financing activities was an outflow of $3,151 million for the first six months of fiscal 2024 compared to $3,321 million for the first six months of fiscal 2023. The decreased outflow was driven by lower share repurchases of $2,331 million in the first six months of fiscal 2024 compared to $2,550 million in the first six months of fiscal 2023, partially offset by higher dividend payments of $1,047 million in the first six months of fiscal 2024 compared to $960 million in the first six months of fiscal 2023.

During the first six months of fiscal 2024, we repurchased a total of 22.4 million shares of NIKE's Class B Common Stock for $2,341 million (an average price of $104.43 per share) under the four-year, $18 billion share repurchase plan authorized by the Board of Directors in June 2022. As of November 30, 2023, we have repurchased 65.9 million shares at a cost of approximately $7.1 billion (an average price of $108.36 per share) under this $18 billion share repurchase program. We continue to expect funding of share repurchases will come from operating cash flows and excess cash. The timing and the amount of share repurchases will be dictated by our capital needs and stock market conditions.

CAPITAL RESOURCES

On July 21, 2022, we filed a shelf registration statement (the "Shelf") with the U.S. Securities and Exchange Commission (the "SEC") which permits us to issue an unlimited amount of debt securities from time to time. The Shelf expires on July 21, 2025.

As of November 30, 2023, our committed credit facilities were unchanged from the information previously reported within the Annual Report. We currently have long-term debt ratings of AA- and A1 from Standard and Poor's Corporation and Moody's Investor Services, respectively. Any changes to these ratings could result in interest rate and facility fee changes. As of November 30, 2023, we were in full compliance with the covenants under our facilities and believe it is unlikely we will fail to meet any of the covenants in the foreseeable future. As of November 30, 2023 and May 31, 2023, no amounts were outstanding under our committed credit facilities.

Liquidity is also provided by our $3 billion commercial paper program. As of and for the three months ended November 30, 2023, we did not have any borrowings outstanding under our $3 billion program. We may issue commercial paper or other debt securities depending on general corporate needs.

To date, in fiscal 2024, we have not experienced difficulty accessing the capital or credit markets; however, future volatility may increase costs associated with issuing commercial paper or other debt instruments or affect our ability to access those markets.

As of November 30, 2023, we had Cash and equivalents and Short-term investments totaling $9.9 billion, primarily consisting of commercial paper, corporate notes, deposits held at major banks, money market funds, U.S. Treasury obligations and other investment grade fixed-income securities. Our fixed-income investments are exposed to both credit and interest rate risk. All of our investments are investment grade to minimize our credit risk. While individual securities have varying durations, as of November 30, 2023, the weighted average days to maturity of our cash equivalents and short-term investments portfolio was 78 days.

We believe that existing Cash and equivalents, Short-term investments and cash generated by operations, together with access to external sources of funds as described above, will be sufficient to meet our domestic and foreign capital needs in the foreseeable future.

CONTRACTUAL OBLIGATIONS

As a result of renewals of, and additions to, outstanding endorsement contracts, cash payments due under these contracts have increased from what was reported within our Annual Report.

Obligations under endorsement contracts as of November 30, 2023, and significant contracts entered into through the date of this report were $9.1 billion, with $1.4 billion payable within 12 months.

Other than the changes reported above, there have been no significant changes to the material cash requirements reported within our Annual Report.

OFF-BALANCE SHEET ARRANGEMENTS

As of November 30, 2023, we did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on our current or future financial condition, results of operations, liquidity, capital expenditures or capital resources.

NEW ACCOUNTING PRONOUNCEMENTS

Refer to Note 1 — Summary of Significant Accounting Policies within the accompanying Notes to the Unaudited Condensed Consolidated Financial Statements for recently adopted and issued accounting standards.

CRITICAL ACCOUNTING ESTIMATES

Our discussion and analysis of our financial condition and results of operations are based upon our Unaudited Condensed Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities.

We believe the assumptions and judgments involved in the accounting estimates described in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the Annual Report have the greatest potential impact on our financial statements, so we consider these to be our critical accounting estimates. Actual results could differ from these estimates. We are not currently aware of any reasonably likely events or circumstances that would result in materially different amounts being reported.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes from the information previously reported under Part II, Item 7A within our Annual Report on Form 10-K for the fiscal year ended May 31, 2023.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our Securities Exchange Act of 1934, as amended (the "Exchange Act") reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We carry out a variety of ongoing procedures, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, to evaluate the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of November 30, 2023.

We are continuing several transformation initiatives to centralize and simplify our business processes and systems. These are long-term initiatives, which we believe will enhance our internal control over financial reporting due to increased automation and further integration of related processes. We will continue to monitor our internal control over financial reporting for effectiveness throughout these transformation initiatives.

There have not been any changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND ANALYST REPORTS

Certain written and oral statements, other than purely historic information, including estimates, projections, statements relating to NIKE's business plans, objectives and expected operating or financial results and the assumptions upon which those statements are based, made or incorporated by reference from time to time by NIKE or its representatives in this report, other reports, filings with the SEC, press releases, conferences or otherwise, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Exchange Act. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "believe," "anticipate," "expect," "estimate," "project," "will be," "will continue," "will likely result" or words or phrases of similar meaning. Forward-looking statements involve risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. The risks and uncertainties are detailed from time to time in reports filed by NIKE with the SEC, including reports filed on Forms 8-K, 10-Q and 10-K, and include, among others, the following: risks relating to the enterprise initiative, including the risk that NIKE is not able to identify opportunities to deliver anticipated cost savings, risks related to the preliminary nature of the estimate of the charges to be incurred in connection with the enterprise initiative, which is subject to change as NIKE refines the estimate over time, risks related to any delays in the timing for implementing the initiative or potential disruptions to NIKE’s business or operations as it executes on the initiative, and other factors that may cause NIKE to be unable to achieve the expected benefits of the initiative; the size and growth of the overall athletic or leisure footwear, apparel and equipment markets; intense competition among designers, marketers, distributors and sellers of athletic or leisure footwear, apparel and equipment for consumers and endorsers; NIKE's ability to successfully innovate and compete in various categories; demographic changes; changes in consumer preferences; popularity of particular designs, categories of products and sports; seasonal and geographic demand for NIKE products; difficulties in anticipating or forecasting changes in consumer preferences, consumer demand for NIKE products and the various market factors described above; international, national and local political, civil, economic and market conditions, including high, and increases in, inflation and interest rates; our ability to execute on our sustainability strategy and achieve our sustainability-related goals and targets, including sustainable product offerings; difficulties in implementing, operating and maintaining NIKE's increasingly complex information technology systems and controls, including, without limitation, the systems related to demand and supply planning and inventory control; interruptions in data and information technology systems; consumer data security; fluctuations and difficulty in forecasting operating results, including, without limitation, the fact that advance orders may not be indicative of future revenues due to changes in shipment timing, the changing mix of orders with shorter lead times, and discounts, order cancellations and returns; the ability of NIKE to sustain, manage or forecast its growth and inventories; the size, timing and mix of purchases of NIKE's products; increases in the cost of materials, labor and energy used to manufacture products; new product development and introduction; the ability to secure and protect trademarks, patents and other intellectual property; product performance and quality; customer service; adverse publicity and an inability to maintain NIKE's reputation and brand image, including without limitation, through social media or in connection with brand damaging events; the loss of significant customers or suppliers; dependence on distributors and licensees; business disruptions; increased costs of freight and transportation to meet delivery deadlines; increases in borrowing costs due to any decline in NIKE's debt ratings; changes in business strategy or development plans; general risks associated with doing business outside of the United States, including, without limitation, exchange rate fluctuations, inflation, import duties, tariffs, quotas, sanctions, political and economic instability, conflicts and terrorism; the potential impact of new and existing laws, regulations or policy, including, without limitation, tariffs, import/export, trade, wage and hour or labor and immigration regulations or policies; changes in government regulations; the impact of, including business and legal developments relating to, climate change, extreme weather conditions and natural disasters; litigation, regulatory proceedings, sanctions or any other claims asserted against NIKE; the ability to attract and retain qualified employees, and any negative public perception with respect to key personnel or our corporate culture, values or purpose; the effects of NIKE's decision to invest in or divest of businesses or capabilities; health epidemics, pandemics and similar outbreaks, including the COVID-19 pandemic; and other factors referenced or incorporated by reference in this report and other reports.

Investors should also be aware that while NIKE does, from time to time, communicate with securities analysts, it is against NIKE's policy to disclose to them any material non-public information or other confidential commercial information. Accordingly, shareholders should not assume that NIKE agrees with any statement or report issued by any analyst irrespective of the content of the statement or report. Furthermore, NIKE has a policy against confirming financial forecasts or projections issued by others. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not the responsibility of NIKE.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Refer to Note 11 — Contingencies within the accompanying Notes to the Unaudited Condensed Consolidated Financial Statements, which is incorporated by reference herein.

ITEM 1A. RISK FACTORS

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended May 31, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In June 2022, the Board of Directors approved a four-year, $18 billion share repurchase program. As of November 30, 2023, the Company had repurchased 65.9 million shares at an average price of $108.36 per share for a total approximate cost of $7.1 billion under the program.

All share repurchases were made under NIKE's publicly announced program, and there are no other programs under which the Company repurchases shares. The following table presents a summary of share repurchases made during the quarter ended November 30, 2023:

PERIOD	TOTAL NUMBER OF SHARES PURCHASED	AVERAGE PRICE PAID PER SHARE	APPROXIMATE DOLLAR VALUE OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLAN OR PROGRAM (IN MILLIONS)
September 1 - September 30, 2023	4,042,731	$ 95.52	$ 11,682
October 1 - October 31, 2023	4,179,244	$ 100.79	$ 11,261
November 1 - November 30, 2023	3,724,655	$ 107.83	$ 10,859
	11,946,630	**$ 101.20**	

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the fiscal quarter ended November 30, 2023, none of our directors or officers (as defined in Rule 16a-1 under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as those terms are defined in Item 408 of Regulation S-K), except as follows:

On November 7, 2023 , Mark Parker , Executive Chairman , adopted a Rule 10b5-1 trading arrangement for the sale of 617,941 shares of our Class B Common Stock, subject to certain conditions. The arrangement's expiration date is November 14, 2024.

Departure and Separation Agreement

Andrew Campion, NIKE's Managing Director, Strategic Business Ventures, will transition from the Company effective April 5, 2024. Upon his separation, Mr. Campion will be subject to the terms and conditions applicable to resignations as set forth in his Covenant Not to Compete and Non-Disclosure Agreement, which is described in the Company's most recently filed proxy statement. The Company has also agreed that he will be entitled to a one-time cash compensation amount of $2,750,000 under a Separation and Release Agreement, dated January 3, 2024, which contains the Company's standard release of claims and confidentiality provisions.

A copy of the Separation and Release Agreement is attached as Exhibit 10.3 to this Quarterly Report on Form 10-Q.

ITEM 6. EXHIBITS

	Exhibits:
3.1	Restated Articles of Incorporation, as amended (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2015).
3.2	Fifth Restated Bylaws, as amended (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed June 19, 2020).
4.1	Restated Articles of Incorporation, as amended (see Exhibit 3.1).
4.2	Fifth Restated Bylaws, as amended (see Exhibit 3.2).
10.1	NIKE, Inc. Employee Stock Purchase Plan, as amended.*
10.2	NIKE, Inc. Foreign Subsidiary Employee Stock Purchase Plan, as amended.*
10.3	Separation and Release Agreement between NIKE, Inc. and Andrew Campion dated January 3, 2024.*
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
32.1†	Section 1350 Certification of Chief Executive Officer.
32.2†	Section 1350 Certification of Chief Financial Officer.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File - formatted in Inline XBRL and included in Exhibit 101

* *Management contract or compensatory plan or arrangement.*

† *Furnished herewith*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NIKE, INC.

an Oregon Corporation

By:	/s/ MATTHEW FRIEND
	Matthew Friend
	Chief Financial Officer and Authorized Officer
Date:	January 5, 2024

Exhibit 10.1

NIKE, INC.
EMPLOYEE STOCK PURCHASE PLAN
(As amended as of October 1, 2023)

1. **Purpose of the Plan**. NIKE, Inc. (the "**Company**") believes that ownership of shares of its common stock by employees of the Company and its Participating Subsidiaries (as defined below) is desirable as an incentive to better performance and improvement of profits, and as a means by which employees may share in the rewards of growth and success. The purpose of the Company's Employee Stock Purchase Plan (the "**Plan**") is to provide a convenient means by which employees of the Company and Participating Subsidiaries may purchase the Company's shares through payroll deductions and a method by which the Company may assist and encourage such employees to become share owners. The Company operates a Foreign Subsidiary Employee Stock Purchase Plan (as amended from time to time, the "**Foreign ESPP**") pursuant to which selected groups of employees of the Company's foreign subsidiaries ("**Foreign Subsidiaries**") are provided a similar opportunity to purchase Company shares. Such groups of employees designated as participating groups for purposes of the Foreign ESPP are hereinafter referred to as "**Participating Foreign ESPP Groups**."

2. **Shares Reserved for the Plan**. There are 62,000,000 shares of the Company's authorized but unissued or reacquired Class B Common Stock reserved for purposes of the Plan. The number of shares reserved for the Plan is subject to adjustment in the event of any stock dividend, stock split, combination of shares, recapitalization or other change in the outstanding Class B Common Stock of the Company. The determination of whether an adjustment shall be made and the manner of any such adjustment shall be made by the Board of Directors of the Company (the "**Board**"), which determination shall be conclusive.

3. **Administration of the Plan**. The Board has full power and authority to administer the Plan. Without limiting the foregoing, the Board has delegated to the Chief Human Resources Officer of the Company (or, if the officer who is the Company's senior human resources executive shall have a title other than Chief Human Resources Officer, then such other officer) all authority for administration of the Plan and, in connection with such delegation and unless otherwise determined by the Board or required by applicable law, the Plan shall be administered by or under the direction of such officer (the "**Authorized Officer**"), who may delegate some or all of his or her duties and authority to one or more Company employees. Unless prohibited by applicable law, the Authorized Officer may promulgate rules and regulations for the operation of the Plan, adopt forms for use in connection with the Plan, and decide any question of interpretation of the Plan or rights arising thereunder. The Authorized Officer may consult with counsel for the Company on any matter arising under the Plan. Unless otherwise determined by the Board, all determinations and decisions of the Authorized Officer or the Board shall be conclusive.

4. **Eligible Employees**. The Board hereby authorizes the purchase of shares of Class B Common Stock pursuant to the Plan by employees of the Company and of each corporate subsidiary of the Company, but has delegated to the Authorized Officer the authority to designate from time to time those "subsidiary corporations" (within the meaning of Section 424(f) of the Internal Revenue Code of 1986, as amended (the "Code")) of the Company which shall be participants in the Plan (each such participating subsidiary being hereinafter called a "Participating Subsidiary"). All Eligible Employees (as defined below) of the Company and all Eligible Employees of each Participating Subsidiary are eligible to participate in the Plan. An "Eligible Employee" is an employee of the Company or a Participating Subsidiary who has been employed by the Company or a Participating Subsidiary for at least one full month prior to the Offering Date (as defined below) excluding, however, (a) any employee whose customary employment is less than 20 hours

per week and (b) any employee who would, after a purchase of shares under the Plan, own or be deemed (under Section 424(d) of the Code) to own stock (including stock subject to any outstanding options held by the employee) possessing 5 percent or more of the total combined voting power or value of all classes of stock of the Company or any parent or subsidiary of the Company. Employee status shall be determined consistent with Treasury Regulation Section 1.421-1(h). The Board and Authorized Officer shall have the sole discretion to determine whether an individual satisfies the definition of Eligible Employee under this Section 4, in a manner consistent with Section 423 of the Code, and any such determination shall be final and binding on all parties. Notwithstanding the foregoing, any individual retroactively determined to be an Eligible Employee by the Company, a court, or a governmental agency will be permitted to participate only prospectively from the date of such determination. All Participants granted options pursuant to an Offering (as defined below) shall have the same rights and privileges within the meaning of Section 423(b)(5) of the Code.

5. **Offerings**.
   a. ***Offering and Purchase Dates.*** The Plan shall be implemented by a series of six-month offerings (the "**Offerings**"), with a new Offering commencing on April 1 and October 1 of each year. Each Offering commencing on April 1 of any year shall end on September 30 of that year, and each Offering commencing on October 1 of any year shall end on March 31 of the following year. The first day of each Offering is the "**Offering Date**" for that Offering and the last day of each Offering is the "**Purchase Date**" for that Offering.
   b. ***Grants; Limitations.*** On each Offering Date, each Eligible Employee shall be granted an option under the Plan to purchase shares of Class B Common Stock on the Purchase Date for the Offering for the price determined under paragraph 7 of the Plan exclusively through payroll deductions authorized under paragraph 6 of the Plan, unless the Board or the Authorized Officer determines that an alternative form of contributions may be used; provided, however, that (i) no option shall permit the purchase of more than 500 shares, and (ii) no option may be granted under the Plan that would allow an employee's right to purchase shares under all stock purchase plans of the Company and its parents and subsidiaries to which Section 423 of the Code applies to accrue at a rate that exceeds $25,000 of fair market value of shares (determined at the date of grant) in any calendar year.

6. **Participation in the Plan**.
   a. ***Initiating Participation***. An Eligible Employee may participate in an Offering under the Plan by submitting to the Company or its agent a subscription and payroll deduction authorization in the form specified by the Company. The subscription and payroll deduction authorization must be submitted no later than the "**Subscription Deadline**," which shall be a number of days prior to the Offering Date with the exact number of days being established from time to time by the Authorized Officer by written notice to Eligible Employees. Once submitted, a subscription and payroll deduction authorization shall remain in effect unless amended or terminated, and upon the expiration of an Offering the participants in that Offering will be automatically enrolled in the new Offering starting the following day. The payroll deduction authorization will authorize the employing corporation to make payroll deductions in an amount designated by the participant from each of the participant's paychecks during the Offering. The designated amount to be deducted from each paycheck must be a whole percentage of not less than one percent or more than 10 percent of the participant's Compensation (as defined below) for the period covered by the paycheck; provided, however, that the amount actually deducted from any paycheck shall not exceed the amount remaining after deduction of all other required or elective withholdings and deductions from that paycheck. If payroll deductions are made

by a Participating Subsidiary, that corporation will promptly remit the amount of the deductions to the Company.

b. ***Definition of Compensation.*** "Compensation" means amounts received by the participant from the Company or Participating Subsidiary to the extent that the amounts are subject to federal income tax withholding on wages under Section 3401(a) of the Code, determined without regard to any limitations based on the nature or location of the employment or the services performed, and adjusted as follows:
    i. Before-tax contributions to a non-qualified deferred compensation arrangement, contributions to a plan qualified under Section 401(k) of the Code, and any amounts set aside by the participant from otherwise taxable pay under a welfare benefit plan qualified under Section 125 of the Code or for qualified transportation fringe benefits under Section 132 of the Code shall be included.
    ii. Taxable expense reimbursements, any amount paid in lieu of unused paid-time off (before or after termination of employment), moving expenses, welfare benefits, payments from a nonqualified deferred compensation plan, amounts realized from the exercise of a stock option, lapse of restrictions on restricted property or from any other equity incentive award, payments made in any form under the Company's Long Term Incentive Plan (or similar long term incentive arrangements maintained by a Participating Subsidiary), and adjustments for overseas employment (other than any transfer premium) shall be excluded.

c. ***Amending Participation***. After a participant has begun participating in the Plan by initiating payroll deductions, the participant may amend the payroll deduction authorization (i) once during any Offering to decrease the amount of payroll deductions, and (ii) effective for the first paycheck of a new Offering to either increase or decrease the amount of payroll deductions. A request for a decrease in payroll deductions during an Offering must be submitted to the Company in the form specified by the Company no later than the Change Deadline (as defined below) for that Offering, and shall be effective for any paycheck only if the request is received by the Company at least 10 business days prior to the payday for that paycheck or by such other deadline as established by the Authorized Officer. A request for an increase or decrease in payroll deductions effective for the first paycheck of a new Offering must be submitted to the Company in the form specified by the Company no later than the Subscription Deadline for the new Offering. In addition, if the amount of payroll deductions from any participant during an Offering exceeds the maximum amount that can be applied to purchase shares in that Offering under the limitations set forth in paragraph 5(b) above, then (x) payroll deductions from the participant shall cease and all such excess amounts shall be refunded to the participant, and (y) payroll deductions from the participant shall restart as of the commencement of the next Offering at the rate set forth in the participant's then effective payroll deduction authorization.

d. ***Terminating Participation***. After a participant has begun participating in the Plan by initiating payroll deductions, the participant may terminate participation in the Plan by notice to the Company in the form specified by the Company. To be effective to terminate participation in an Offering, a notice of termination must be submitted no later than the "**Change Deadline,**" which shall be a number of days prior to the Purchase Date for that Offering with the exact number of days being established from time to time by the Authorized Officer by written notice to participants. Participation in the Plan shall also terminate when a participant ceases to be an Eligible Employee for any reason, including death or retirement; provided, however, that for purposes of the Plan, a participant's status as an Eligible Employee shall be considered to be continuing intact while such participant is on military leave, sick leave, or other bona fide leave of absence approved by the Company; provided further, however, that if such period of leave of absence exceeds three months, and the participant's right to reemployment is not provided either by statute or by contract, the participant's status as an Eligible Employee shall be deemed to have terminated on the first day immediately following such three-month period. Unless otherwise determined by the Authorized Officer (on a uniform and non-discriminatory basis), a transfer of a participant's employment between or among the Company and/or the Participating Subsidiaries shall not be considered a termination of employment. A participant may not reinstate participation in the Plan with respect to a particular Offering after terminating participation in the Plan with respect to that Offering. Upon termination of a participant's participation in the Plan, all amounts deducted from the participant's Compensation and not previously used to purchase shares under the Plan shall be returned to the participant.

7. **Option Price.** The price at which shares shall be purchased in an Offering shall be the lower of (a) 85% of the fair market value of a share of Class B Common Stock on the Offering Date of the Offering or (b) 85% of the fair market value of a share of Class B Common Stock on the Purchase Date of the Offering. The fair market value of a share of Class B Common Stock on any date shall be the closing price of the Class B Common Stock on the New York Stock Exchange on such date or, if such date is not a trading day, then on the first immediately preceding trading day prior to such date; provided that if the Class B Common Stock is not traded on the New York Stock Exchange, then the fair market value of a share of Class B Common Stock will be such other reported value of the Class B Common Stock as shall be specified by the Board.

8. **Purchase of Shares**. All amounts withheld from the Compensation of a participant shall be credited to his or her account under the Plan. No interest will be paid on such accounts, unless otherwise determined by the Authorized Officer. On each Purchase Date, the amount of the account of each participant will be applied to the purchase of shares (including fractional shares) by such participant from the Company at the price determined under paragraph 7 above. Any cash balance remaining in a participant's account after a Purchase Date as a result of the limitations set forth in paragraph 5(b) above shall be repaid to the participant.

9. **Delivery and Custody of Shares**. Shares purchased by participants pursuant to the Plan will be delivered to and held in the custody of such investment or financial firm (the "**Custodian**") as shall be appointed by the Authorized Officer. The Custodian may hold in nominee or street name certificates for shares purchased pursuant to the Plan, and may commingle shares in its custody pursuant to the Plan in a single account without identification as to individual participants. By appropriate instructions to the Custodian, a participant may from time to time sell all or part of the shares held by the Custodian for the participant's account at the market price at the time the order is executed. If a participant desires to sell all of the shares in his or her account, the Custodian or the Company will purchase any fraction of a share in the account at the same price per share that the whole shares are sold on the market. By appropriate instructions to the Custodian, a participant may obtain (a) transfer into the participant's own name of all or part of the whole shares held by the Custodian for the participant's account and delivery of such whole shares to the participant, or (b) transfer of all or part of the whole shares held for the participant's account by the Custodian to a regular individual brokerage account in the participant's own name, either with the firm then acting as Custodian or with another firm; provided, however, that no shares may be transferred under (a) or (b) until two years after the Offering Date of the Offering in which the shares were purchased.

10. **Records and Statements**. The Custodian will maintain the records of the Plan. As soon as practicable after each Purchase Date each participant will receive a statement showing the activity of his or her account since the preceding Purchase Date and the balance on the Purchase Date as to both cash and shares. Participants will be furnished such other reports and statements, and at such intervals, as the Authorized Officer shall determine from time to time.

11. **Expense of the Plan**. The Company will pay all expenses incident to operation of the Plan, including costs of record keeping, accounting fees, legal fees, commissions and issue or transfer taxes on purchases pursuant to the Plan, on dividend reinvestments and on delivery of shares to a participant or into his or her brokerage account. Unless otherwise provided by the Board or the Authorized Officer in its discretion, the Company will not pay expenses, commissions or taxes incurred in connection with sales of shares by the Custodian at the request of a participant. Expenses to be paid by a participant will be deducted from the proceeds of sale prior to remittance.
12. **Rights Not Transferable**. The right to purchase shares under this Plan is not transferable by a participant, and such right is exercisable during the participant's lifetime only by the participant. Upon the death of a participant, any cash withheld and not previously applied to purchase shares, together with any shares held by the Custodian for the participant's account shall be transferred to the persons entitled thereto under the laws of the state of domicile of the participant upon a proper showing of authority.

13. **Dividends and Other Distributions; Reinvestment**. Stock dividends and other distributions in shares of Class B Common Stock of the Company on shares held by the Custodian shall be issued to the Custodian and held by it for the account of the respective participants entitled thereto. Cash distributions other than dividends, if any, on shares held by the Custodian will be paid currently to the participants entitled thereto. Cash dividends, if any, on shares held by the Custodian may be reinvested in Class B Common Stock on behalf of the participants entitled thereto. The Custodian shall establish a separate account for each participant for the purpose of holding any shares acquired through reinvestment of participants' dividends. On each dividend payment date, the Custodian shall receive from the Company the aggregate amount of dividends payable with respect to all shares held by the Custodian for participants' accounts under the Plan. As soon as practicable thereafter, the Custodian shall use such portion of the funds designated for reinvestment to purchase shares of Class B Common Stock in the public market, and shall then allocate such shares (including fractional shares) among the dividend reinvestment accounts of the participants pro rata based on the amount of dividends reinvested for such participants. For those participants receiving cash dividends, the Custodian shall allocate the remainder of such funds among the accounts of such participants pro rata based upon the amount of dividends received. A participant may sell or transfer shares in the participant's dividend reinvestment account in accordance with paragraph 9 above, except that there shall be no holding period required for a transfer from a dividend reinvestment account.

14. **Voting and Shareholder Communications**. In connection with voting on any matter submitted to the shareholders of the Company, the Custodian will cause the shares held by the Custodian for each participant's accounts to be voted in accordance with instructions from the participant or, if requested by a participant, furnish to the participant a proxy authorizing the participant to vote the shares held by the Custodian for his or her accounts. Copies of all general communications to shareholders of the Company will be sent to participants in the Plan.

15. **Tax Withholding.** Each participant who has purchased shares under the Plan shall immediately upon notification of the amount due, if any, pay to the Company in cash amounts necessary to satisfy any applicable federal, state and local tax withholding determined by the Company to be required. If the Company determines that additional withholding is required beyond any amount deposited at the time of purchase, the participant shall pay such amount to the Company on demand. If the participant fails to pay the amount demanded, the Company may withhold that amount from other amounts payable by the Company to the participant, including salary, subject to applicable law.

16. **Responsibility and Indemnity**. Neither the Company, the Board, the Custodian, any Participating Subsidiary, any Foreign Subsidiary, nor any member, officer, agent, or employee of any of them, shall be liable to any participant under the Plan for any mistake of judgment or for any omission or wrongful act unless resulting from gross negligence, willful misconduct or intentional misfeasance. The Company will indemnify and save harmless the Board, the Custodian and any such member, officer, agent or employee against any claim, loss, liability or expense arising out of the Plan, except such as may result from the gross negligence, willful misconduct or intentional misfeasance of such entity or person.

17. **Conditions and Approvals**. The obligations of the Company under the Plan shall be subject to compliance with all applicable state and federal laws and regulations, compliance with the rules of any stock exchange on which the Company's securities may be listed, and approval of such federal and state authorities or agencies as may have jurisdiction over the Plan or the Company. The Company will use its best effort to comply with such laws, regulations and rules and to obtain such approvals.

18. **Amendment of the Plan**. Unless otherwise determined by the Board, the Board or the Authorized Officer may from time to time amend the Plan in any and all respects; provided, however, that only the Board may change (a) the number of shares reserved for purposes of the Plan, (b) the purchase price of shares offered pursuant to the Plan, (c) the terms of paragraph 5 above, or (d) in paragraph 6(a) above the maximum percentage of a participant's Compensation that may be deducted from a participant's paycheck during an Offering. Notwithstanding the foregoing, the Board may not without the approval of the shareholders of the Company increase the number of shares reserved for purposes of the Plan (except for adjustments authorized in paragraph 2 above) or decrease the purchase price of shares offered pursuant to the Plan.

19. **Termination of the Plan**. The Plan shall terminate when all of the shares reserved for purposes of the Plan have been purchased, provided that (a) the Board or the Authorized Officer in their sole discretion may at any time terminate the Plan with respect to any Participating Subsidiary, without any obligation on account of such termination, except as set forth in the following sentence, and (b) the Board in its sole discretion may at any time terminate the Plan completely, without any obligation on account of such termination, except as set forth in the following sentence. Upon any such termination, the cash and shares, if any, held in the accounts of each participant to whom the termination applies shall forthwith be distributed to the participant or to the participant's order, provided that if prior to such termination, the Board and shareholders of the Company shall have adopted and approved a substantially similar plan, the Board may in its discretion determine that the accounts of each participant under this Plan to whom the termination applies shall be carried forward and continued as the accounts of such participant under such other plan, subject to the right of any participant to request distribution of the cash and shares, if any, held for his or her accounts.

20. **No Constraint on Corporate Action**. Nothing contained in the Plan shall be construed to prevent the Company or any Participating Subsidiary from taking any corporate action (including the Company's right or power to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets) which is deemed by it to be appropriate, or in its best interest, whether or not such action would have an adverse effect on the Plan, or any rights awarded participants under the Plan. No employee, beneficiary, or other person shall have any claim against the Company or any Participating Subsidiary as a result of any such action.

21. **Tax.**

a. ***Tax Qualification***. Although the Company may endeavor to (i) qualify an option for favorable tax treatment under the laws of the United States or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on participants under the Plan.

b. ***Separate Offerings.*** Unless otherwise determined by the Board or the Authorized Officer, each Offering to the Eligible Employees of the Company and of a Participating Subsidiary shall be deemed a separate Offering under the Plan, and the provisions of the Plan will separately apply to each such Offering. The terms of separate Offerings need not be identical provided that the terms of the Plan and an Offering together satisfy Section 423 of the Code.

Exhibit 10.2

NIKE, INC.
FOREIGN SUBSIDIARY EMPLOYEE STOCK PURCHASE PLAN
(As amended as of October 1, 2023)

1. **Purpose of the Plan**. NIKE, Inc. (the "**Company**") believes that ownership of shares of its common stock by selected employees of its foreign subsidiaries is desirable as an incentive to better performance and improvement of profits, and as a means by which employees may share in the rewards of growth and success. The purpose of the Company's Foreign Subsidiary Employee Stock Purchase Plan (the "**Plan**") is to provide a convenient means by which such employees may purchase the Company's shares and a method by which the Company may assist and encourage such employees to become share owners. The Company operates an Employee Stock Purchase Plan (as amended from time to time, the "**U.S. ESPP**") pursuant to which employees of the Company and selected U.S. subsidiaries have a similar opportunity to purchase Company shares. Each subsidiary of the Company that is a participant in the U.S. ESPP is hereinafter referred to as a "**Participating U.S. Subsidiary.**"

2. **Shares Reserved for the Plan**. There are 15,000,000 shares of the Company's authorized but unissued or reacquired Class B Common Stock reserved for purposes of the Plan. The number of shares reserved for the Plan is subject to adjustment in the event of any stock dividend, stock split, combination of shares, recapitalization or other change in the outstanding Class B Common Stock of the Company. The determination of whether an adjustment shall be made and the manner of any such adjustment shall be made by the Board of Directors of the Company (the "**Board**"), which determination shall be conclusive.

3. **Administration of the Plan**. The Board has full power and authority to administer the Plan. Without limiting the foregoing, the Board has delegated to the Chief Human Resources Officer of the Company (or, if the officer who is the Company's senior human resources executive shall have a title other than Chief Human Resources Officer, then such other officer) all authority for administration of the Plan and, in connection with such delegation and unless otherwise determined by the Board or required by applicable law, the Plan shall be administered by or under the direction of such officer (the "**Authorized Officer**"), who may delegate some or all of his or her duties and authority to one or more Company employees. Unless prohibited by applicable law, the Authorized Officer may promulgate rules and regulations for the operation of the Plan which may vary with local requirements, adopt forms for use in connection with the Plan, and decide any question of interpretation of the Plan or rights arising thereunder. The Authorized Officer may consult with counsel for the Company on any matter arising under the Plan. Unless otherwise determined by the Board, all determinations and decisions of the Authorized Officer or the Board shall be conclusive.

4. **Eligible Employees**. The Board hereby authorizes the purchase of shares of Class B Common Stock pursuant to the Plan by employees of each subsidiary of the Company that is not a Participating U.S. Subsidiary (each such subsidiary of the Company that is not a Participating U.S. Subsidiary, a "**Foreign Subsidiary**"), but has delegated to the Authorized Officer the authority to designate from time to time from among such employees which groups of employees shall be participating groups for purposes of the Plan (each such group so designated as a participating group for purposes of the Plan being hereinafter called a "**Participating Group**"). For example, a Participating Group may consist of all Foreign Subsidiary employees who reside and/or work in a designated country. All Eligible Employees in each Participating Group are eligible to participate in the Plan. An "**Eligible Employee**" is an employee in a Participating Group who has been employed by the Company or one of its subsidiaries for at least one full month prior to the

Offering Date (as defined below) excluding, however, any employee who would, after a purchase of shares under the Plan, own or be deemed (under Section 424(d) of the United States Internal Revenue Code of 1986, as amended (the "**Code**")) to own stock (including stock subject to any outstanding options held by the employee) possessing 5 percent or more of the total combined voting power or value of all classes of stock of the Company or any parent or subsidiary of the Company. The Board and Authorized Officer shall have the sole discretion to determine whether an individual satisfies the definition of Eligible Employee under this Section 4 and any such determination shall be final and binding on all parties. Notwithstanding the foregoing, any individual retroactively determined to be an Eligible Employee by the Company, a court, or a governmental agency will be permitted to participate only prospectively from the date of such determination, unless it is determined that the Company's decision was made in bad faith.

5. **Offerings**.
    a. ***Offering and Purchase Dates***. The Plan shall be implemented by a series of six-month offerings (the "**Offerings**"), with a new Offering commencing on April 1 and October 1 of each year. Each Offering commencing on April 1 of any year shall end on September 30 of that year, and each Offering commencing on October 1 of any year shall end on March 31 of the following year. The first day of each Offering is the "**Offering Date**" for that Offering and the last day of each Offering is the "**Purchase Date**" for that Offering.
    b. ***Grants; Limitations***. On each Offering Date, each Eligible Employee shall be granted an option under the Plan to purchase shares of Class B Common Stock on the Purchase Date for the Offering for the price determined under paragraph 7 of the Plan exclusively through payroll deductions or other contributions authorized under paragraph 6 of the Plan; provided, however, that (i) no option shall permit the purchase of more than 500 shares, and (ii) no option may be granted under the Plan that would allow an employee's right to purchase shares under all employee stock purchase plans of the Company and its parents and subsidiaries to accrue at a rate that exceeds US$25,000 of fair market value of shares (determined at the date of grant) in any calendar year.

6. **Participation in the Plan**.
    a. ***Initiating Participation***. An Eligible Employee may participate in an Offering under the Plan by submitting to the Company or its agent a subscription agreement in a form specified by the Company. The subscription agreement must be submitted no later than the "**Subscription Deadline,**" which shall be a number of days prior to the Offering Date with the exact number of days being established from time to time by the Authorized Officer by written notice to Eligible Employees. Once submitted, a subscription agreement shall remain in effect unless amended or terminated, and upon the expiration of an Offering the participants in that Offering will be automatically enrolled in the new Offering starting the following day.
    b. ***Payroll Deductions or Other Contributions.*** Unless otherwise determined by the Authorized Officer in accordance with this paragraph 6(b), each subscription agreement shall include a payroll deduction authorization that will authorize the employing entity to make payroll deductions in an amount designated by the participant from each of the participant's paychecks during the Offering. The designated amount to be deducted from each paycheck must be a whole percentage of not less than one percent or more than 10 percent of the participant's Compensation (as defined below) for the period covered by the paycheck. If the Authorized Officer determines that payroll deductions are either illegal or inadvisable in any particular jurisdiction, the Authorized Officer may provide for alternate methods of contributing to the Plan for all participants in that jurisdiction, provided that no participant shall be permitted to contribute less than one percent or more than 10 percent of the participant's aggregate Compensation paid during the Offering. Each employing entity

will promptly remit the amount of payroll deductions or other contributions to the Company.

c. ***Definition of Compensation.*** "**Compensation**" means the gross amount of a participant's base salary, hourly compensation including overtime pay, performance bonus compensation and sales commissions, or such other definitions of Compensation as may be established from time to time by the Authorized Officer for defined groups of employees.

d. ***Amending Participation***. After a participant has begun participating in the Plan by initiating payroll deductions, the participant may amend the payroll deduction authorization (i) once during any Offering to decrease the amount of payroll deductions, and (ii) effective for the first paycheck of a new Offering to either increase or decrease the amount of payroll deductions. A request for a decrease in payroll deductions during an Offering must be submitted to the Company in a form specified by the Company no later than the Change Deadline (as defined below) for that Offering, and shall be effective for any paycheck only if the request is received by the Company no later than the last business day of the immediately preceding calendar month, or by such other deadline as may be established from time to time by the Authorized Officer for defined groups of employees. A request for an increase or decrease in payroll deductions effective for the first paycheck of a new Offering must be submitted to the Company in a form specified by the Company no later than the Subscription Deadline for the new Offering. In addition, if the amount of payroll deductions from any participant during an Offering exceeds the maximum amount that can be applied to purchase shares in that Offering under the limitations set forth in paragraph 5(b) above, then (x) payroll deductions from the participant shall cease and all such excess amounts shall be refunded to the participant, and (y) payroll deductions from the participant shall restart as of the commencement of the next Offering at the rate set forth in the participant's then effective payroll deduction authorization. If the Authorized Officer provides an alternative to payroll deduction as a method of contributing to the Plan in any jurisdiction, the Authorized Officer shall also specify terms for amending contribution levels in that jurisdiction.

e. ***Terminating Participation***. After a participant has begun participating in the Plan, the participant may terminate participation in the Plan by notice to the Company in a form specified by the Company. To be effective to terminate participation in an Offering, a notice of termination must be submitted no later than the "**Change Deadline,**" which shall be a number of days prior to the Purchase Date for that Offering with the exact number of days being established from time to time by the Authorized Officer by written notice to participants. Participation in the Plan shall also terminate when a participant ceases to be an Eligible Employee for any reason, including death or retirement or in such other circumstances as set forth in Section 6(h) below or as determined by the Board or the Authorized Officer. A participant may not reinstate participation in the Plan with respect to a particular Offering after terminating participation in the Plan with respect to that Offering. Upon termination of a participant's participation in the Plan, all amounts deducted from the participant's Compensation or otherwise contributed by the participant, and not previously used to purchase shares under the Plan, shall be returned to the participant.

f. ***Employee Transferred from U.S***. Notwithstanding anything to the contrary in the Plan, if an employee within a Participating Group (1) was not an Eligible Employee on the Offering Date because the employee was employed by the Company or a Participating U.S. Subsidiary on the Offering Date, (2) became an Eligible Employee during the Offering, and (3) was a participant in the U.S. ESPP immediately prior to the time that the employee became an employee within a Participating Group, then the Board and Authorized Officer shall have the sole discretion to determine whether the employee may be considered to have been granted under the Plan the option described in paragraph 5(b) (subject to paragraph 5(b)(i) and (ii)), and to promulgate rules and regulations regarding participation in the Plan which may vary with local requirements.

g. ***Employee Transferred to U.S***. If an employee ceases to be an Eligible Employee during an Offering because the employee commences employment with the Company or a Participating U.S. Subsidiary, then, notwithstanding anything to the contrary in the Plan, the employee shall cease participating in the Plan effective immediately and all amounts deducted from the employee's Compensation pursuant to the Plan and not previously used to purchase shares shall be returned to the employee pursuant to the terms of the Plan. Employees may enroll in the U.S. ESPP upon meeting the relevant eligibility requirements pursuant to the U.S. ESPP.

h. ***Employee Transferred between Foreign Countries***. Notwithstanding anything to the contrary in the Plan, if an employee within a Participating Group in one country outside the U.S. transfers during an Offering and becomes employed within a Participating Group in another country outside the United States, the employee shall cease participating in the Plan effective immediately and all amounts deducted from the employee's Compensation pursuant to the Plan and not previously used to purchase shares shall be returned to the employee pursuant to the terms of the Plan, unless otherwise determined by the Board or the Authorized Officer in their sole discretion.

7. **Option Price**. The price at which shares shall be purchased in an Offering shall be in US dollars and shall be the lower of (a) 85% of the fair market value of a share of Class B Common Stock on the Offering Date of the Offering or (b) 85% of the fair market value of a share of Class B Common Stock on the Purchase Date of the Offering. The fair market value of a share of Class B Common Stock on any date shall be the closing price of the Class B Common Stock on the New York Stock Exchange on such date or, if such date is not a trading day, then on the first immediately preceding trading day prior to such date; provided that if the Class B Common Stock is not traded on the New York Stock Exchange, then the fair market value of a share of Class B Common Stock will be such other reported value of the Class B Common Stock as shall be specified by the Board.

8. **Purchase of Shares**. All amounts withheld from the Compensation of a participant or otherwise contributed by a participant shall be credited to his or her account under the Plan. No interest will be paid on such accounts, unless otherwise determined by the Authorized Officer or required under local law. If amounts are withheld in any currency other than US dollars, the amounts in participants' accounts shall be converted into US dollars in accordance with procedures approved by the Authorized Officer. On each Purchase Date, the amount of the account of each participant will be applied to the purchase of shares (including fractional shares) by such participant from the Company at the price determined under paragraph 7 above. Any cash balance remaining in a participant's account after a Purchase Date as a result of the limitations set forth in paragraph 5(b) above shall be repaid to the participant.

9. **Delivery and Custody of Shares**. Shares purchased by participants pursuant to the Plan will be delivered to and held in the custody of such investment or financial firm (the "**Custodian**") as shall be appointed by the Authorized Officer. The Custodian may hold in nominee or street name certificates for shares purchased pursuant to the Plan, and may commingle shares in its custody pursuant to the Plan in a single account without identification as to individual participants. By appropriate instructions to the Custodian, a participant may from time to time sell all or part of the shares held by the Custodian for the participant's account at the market price at the time the order is executed. If a participant desires to sell all of the shares in his or her account, the Custodian or the Company will purchase any fraction of a share in the account at the same price per share that the whole shares are sold on the market. By appropriate instructions to the Custodian, a participant may obtain (a) transfer into the participant's own name of all or part of the whole shares held by

the Custodian for the participant’s account and delivery of such whole shares to the participant, or (b) transfer of all or part of the whole shares held for the participant’s account by the Custodian to a regular individual brokerage account in the participant’s own name, either with the firm then acting as Custodian or with another firm; provided, however, that no shares may be transferred under (a) or (b) until two years after the Offering Date of the Offering in which the shares were purchased.

10. **Records and Statements**. The Custodian will maintain the records of the Plan. As soon as practicable after each Purchase Date each participant will receive a statement showing the activity of his or her account since the preceding Purchase Date and the balance on the Purchase Date as to both cash and shares. Participants will be furnished such other reports and statements, and at such intervals, as the Authorized Officer shall determine from time to time.

11. **Expense of the Plan**. The Company will pay all expenses incident to operation of the Plan, including costs of record keeping, accounting fees, legal fees, commissions and issue or transfer taxes on purchases pursuant to the Plan, on dividend reinvestments and on delivery of shares to a participant or into his or her brokerage account. Unless otherwise provided by the Board or the Authorized Officer in its discretion, the Company will not pay expenses, commissions or taxes incurred in connection with sales of shares by the Custodian at the request of a participant. Expenses to be paid by a participant will be deducted from the proceeds of sale prior to remittance.

12. **Rights Not Transferable**. The right to purchase shares under this Plan is not transferable by a participant, and such right is exercisable during the participant’s lifetime only by the participant. Upon the death of a participant, any cash withheld or contributed and not previously applied to purchase shares, together with any shares held by the Custodian for the participant’s account shall be transferred to the persons entitled thereto under the laws of the domicile of the participant upon a proper showing of authority.

13. **Dividends and Other Distributions; Reinvestment**. Stock dividends and other distributions in shares of Class B Common Stock of the Company on shares held by the Custodian shall be issued to the Custodian and held by it for the account of the respective participants entitled thereto. Cash distributions other than dividends, if any, on shares held by the Custodian will be paid currently to the participants entitled thereto. Cash dividends, if any, on shares held by the Custodian may be reinvested in Class B Common Stock on behalf of the participants entitled thereto. The Custodian shall establish a separate account for each participant for the purpose of holding any shares acquired through reinvestment of the participant’s dividends. On each dividend payment date, the Custodian shall receive from the Company the aggregate amount of dividends payable with respect to all shares held by the Custodian for participants’ accounts under the Plan. As soon as practicable thereafter, the Custodian shall use such portion of the funds designated for reinvestment to purchase shares of Class B Common Stock in the public market, and shall then allocate such shares (including fractional shares) among the dividend reinvestment accounts of the participants pro rata based on the amount of dividends reinvested for such participants. For those participants receiving cash dividends, the Custodian shall allocate the remainder of such funds among the accounts of such participants pro rata based upon the amount of dividends received. A participant may sell or transfer shares in the participant’s dividend reinvestment account in accordance with paragraph 9 above, except that there shall be no holding period required for a transfer from a dividend reinvestment account.

14. **Voting and Shareholder Communications**. In connection with voting on any matter submitted to the shareholders of the Company, the Custodian will cause the shares held by the Custodian for each participant’s accounts to be voted in accordance with instructions from the participant or, if requested by a participant, furnish to the participant a proxy authorizing the participant to vote the

shares held by the Custodian for his or her accounts. Copies of all general communications to shareholders of the Company will be sent to participants in the Plan.

15. **Tax Withholding**. The Company shall determine the amounts, if any, required to be withheld to satisfy any applicable tax or other withholding obligations of Foreign Subsidiaries or other employing entities under the laws of the jurisdictions in which participants are subject to tax. The Foreign Subsidiaries or other employing entities shall withhold such amounts from other amounts payable to the participants, including all forms of Compensation, subject to applicable law. Further, the Authorized Officer may determine other methods of withholding, subject to applicable law.

16. **Responsibility and Indemnity**. Neither the Company, the Board, the Custodian, any Foreign Subsidiary, any Participating U.S. Subsidiary, nor any member, officer, agent, or employee of any of them, shall be liable to any participant under the Plan for any mistake of judgment or for any omission or wrongful act unless resulting from gross negligence, willful misconduct or intentional misfeasance. The Company will indemnify and save harmless the Board, the Custodian and any such member, officer, agent or employee against any claim, loss, liability or expense arising out of the Plan, except such as may result from the gross negligence, willful misconduct or intentional misfeasance of such entity or person.

17. **Conditions and Approvals**. The obligations of the Company under the Plan shall be subject to compliance with all applicable laws and regulations, compliance with the rules of any stock exchange on which the Company's securities may be listed, and approval of such governmental authorities or agencies as may have jurisdiction over the Plan or the Company. The Company will use its best effort to comply with such laws, regulations and rules and to obtain such approvals.

18. **Amendment of the Plan**. Unless otherwise determined by the Board, the Board or the Authorized Officer may from time to time amend the Plan in any and all respects; provided, however, that only the Board may change (a) the number of shares reserved for purposes of the Plan, (b) the purchase price of shares offered pursuant to the Plan, (c) the terms of paragraph 5 above, or (d) in paragraph 6(b) above the maximum percentage of a participant's Compensation that may be deducted from a participant's paycheck or otherwise contributed to the Plan by a participant during an Offering.

19. **Termination of the Plan**. The Plan shall terminate when all of the shares reserved for purposes of the Plan have been purchased, provided that (a) the Board or the Authorized Officer in their sole discretion may at any time terminate the Plan with respect to any Participating Group, without any obligation on account of such termination, except as set forth in the following sentence, and (b) the Board in its sole discretion may at any time terminate the Plan completely, without any obligation on account of such termination, except as set forth in the following sentence. Upon any such termination, the cash and shares, if any, held in the accounts of each participant to whom the termination applies shall forthwith be distributed to the participant or to the participant's order, provided that if prior to such termination, the Board and shareholders of the Company shall have adopted and approved a substantially similar plan, the Board may in its discretion determine that the accounts of each participant under this Plan to whom the termination applies shall be carried forward and continued as the accounts of such participant under such other plan, subject to the right of any participant to request distribution of the cash and shares, if any, held for his or her accounts.

20. **No Constraint on Corporate Action**. Nothing contained in the Plan shall be construed to prevent the Company or any Foreign Subsidiary from taking any corporate action (including the Company's right or power to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all

or any part of its business or assets) which is deemed by it to be appropriate, or in its best interest, whether or not such action would have an adverse effect on the Plan, or any rights awarded to participants under the Plan. No employee, beneficiary, or other person, shall have any claim against the Company or any Foreign Subsidiary as a result of any such action.

Exhibit 10.3

Separation and Release Agreement

1. **Parties.** This Separation and Release Agreement ("Agreement") is between you, **Andrew Campion**, and your employer NIKE, Inc. (the "Company").

2. **Separation Date.** You acknowledge and agree that your last day of employment with the Company and its subsidiaries and affiliates will be April 5, 2024 (the "Separation Date"). You will continue to receive regular paychecks, subject to taxes and other required withholdings, be eligible to participate in benefit plans, and accrue PTO (up to the maximum in accordance with the Company's standard PTO policy) through the Separation Date.
3. **Payments(s).** In exchange for the mutual promises set forth in this Agreement (including, for the avoidance of doubt, your compliance with the Release Requirement (as defined below)), the Company will pay you $2,750,000, less standard withholdings and authorized deductions (the "Cash Payment") within fourteen (14) days following the date of the effectiveness of the Release.

4. **Release Requirement.** Payment of the Cash Payment is conditioned on your execution of the general release and waiver of claims (the "Release") attached as Exhibit A, and such Release becoming effective and enforceable in accordance with its terms (the "Release Requirement"). You have up to twenty-one (21) days from the Separation Date in which to sign and date the Release.

5. **General Provisions.** This Agreement, together with Exhibit A, constitutes and contains the entire agreement and understanding concerning the separation of your employment. This Agreement, together with Exhibit A, supersedes and replaces all remaining obligations, if any, contained in any other agreement, promise or offer, whether oral or written, and the compensation and benefits provided under this Agreement are in lieu of, and not in addition to, any other compensation or benefits.

6. **Governing Law/Severability.** This Agreement, including its interpretation and all rights and remedies, shall be governed by the laws of the state of Oregon. The parties consent that jurisdiction over and venue for any legal proceedings arising out of this Agreement shall be in a state court located in Washington County, Oregon. If any part of this Agreement is found to be invalid or otherwise unenforceable, the rest of the Agreement will be valid and enforceable.

7. **Expiration of Offer.** You may accept the benefits outlined in this Agreement by electronically signing and returning this Agreement via the Nike Contract Management Portal no later than two (2) days from the date of first received.

NIKE, Inc.

/s/ John Donahoe
John Donahoe
Chief Executive Officer

DATE: January 2, 2024

I have carefully read the foregoing agreement, understand its contents and state that no promise, inducement or agreement not herein expressed has been made to me, and I voluntarily and knowingly accept its term and conditions.

/s/ Andrew Campion
Andrew Campion

DATE: January 3, 2024

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John J. Donahoe II, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended November 30, 2023 of NIKE, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: January 5, 2024

/s/ John J. Donahoe II
John J. Donahoe II
Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Matthew Friend, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended November 30, 2023 of NIKE, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: January 5, 2024

/s/ Matthew Friend

Matthew Friend
Chief Financial Officer

Exhibit 32.1

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the following certifications are being made to accompany the Registrant’s quarterly report on Form 10-Q for the fiscal quarter ended November 30, 2023.

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of NIKE, Inc. (the “Company”) hereby certifies, to such officer’s knowledge, that:

(i) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended November 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 5, 2024

/s/ John J. Donahoe II

John J. Donahoe II

Chief Executive Officer

Exhibit 32.2

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the following certifications are being made to accompany the Registrant’s quarterly report on Form 10-Q for the fiscal quarter ended November 30, 2023.

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of NIKE, Inc. (the “Company”) hereby certifies, to such officer’s knowledge, that:

(i) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended November 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 5, 2024

/s/ Matthew Friend

Matthew Friend

Chief Financial Officer