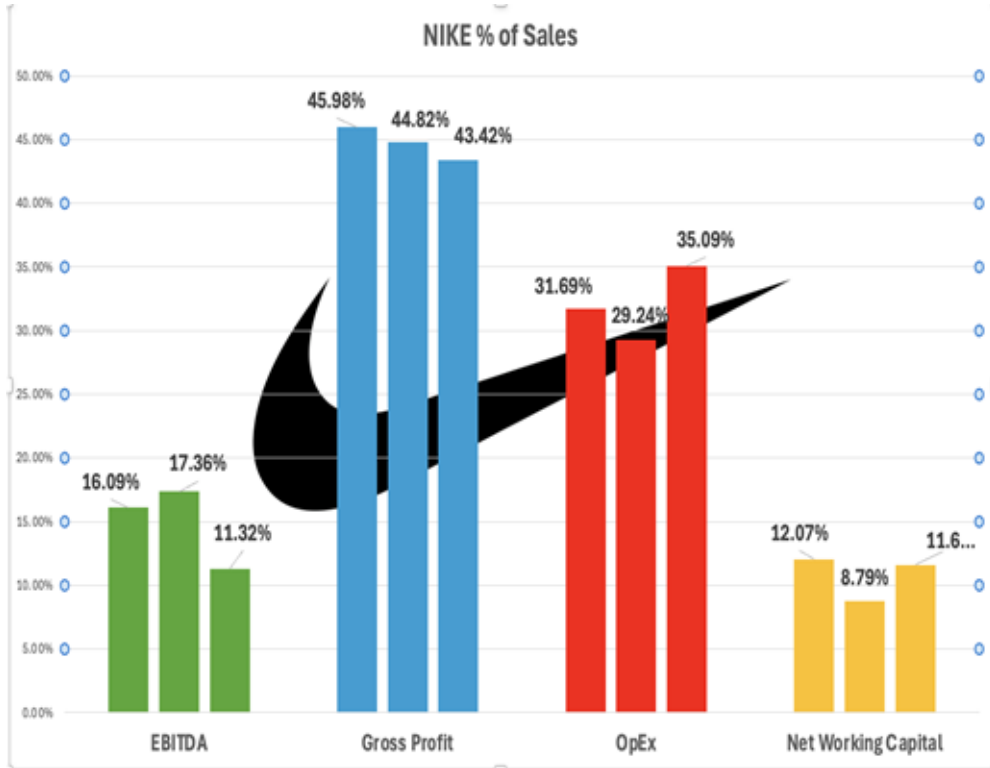


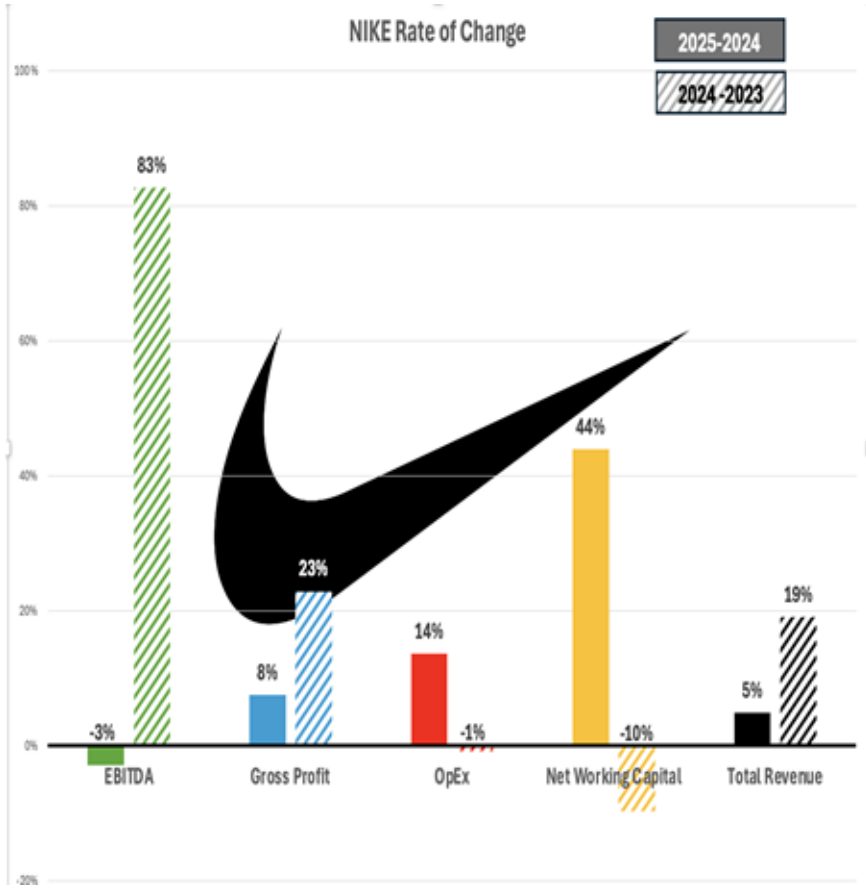


NIKE % of Sales



NIKE Rate of Change

2025-2024
2024-2023





- Nike credit rating: **A-**
- 10-year bond yield (Nike): **4.92%**
- Risk-free rate (10Y Treasury): **4.01%**
- Equity risk driver (Beta): **1.32**
- Nike WACC: **7.94%**
- Long-term growth rate (g): **2.60%**

NIKE, Inc. (NKE) ☆

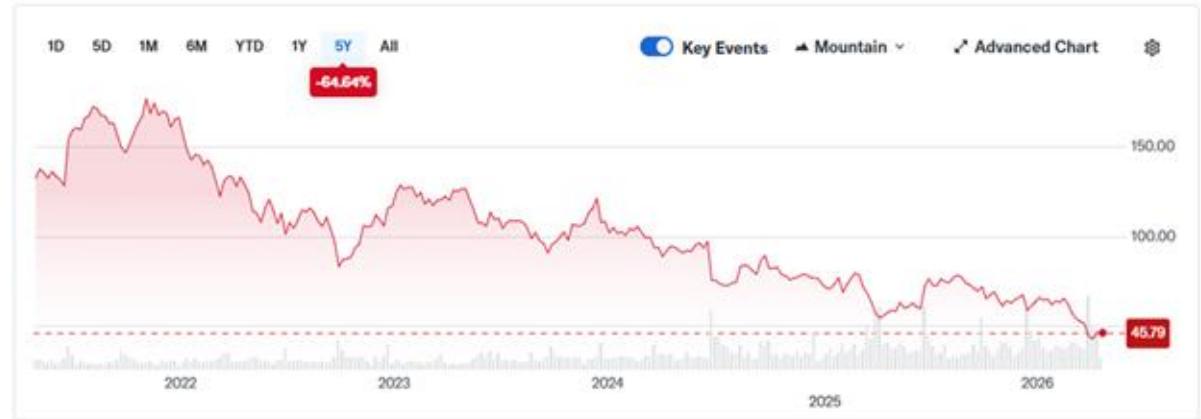
45.68 -0.71 (-1.53%) **45.79** +0.11 (+0.24%)

At close: 1:00:02 PM EDT

After hours: 5:08:03 PM EDT

[Trade Nike on Coinbase](#)

[Trading disclosure](#)



News headlines

Nike is facing ongoing challenges with inventory management and brand perception, as insider buying signals some confidence amid mixed analyst views. Recent comparisons with Adidas highlight Nike's strategic focus on innovation and direct-to-consumer channels, though profitability remains...

Updated 15m ago · Powered by Yahoo Scout

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Previous Close	46.39	Day's Range	45.50 - 46.94	Market Cap (intraday)	67.647B	Earnings Date (est.)	Jun 25, 2026
Open	46.31	52 Week Range	42.09 - 80.17	Beta (5Y Monthly)	1.32	Forward Dividend & Yield	--
Bid	45.65 x 90000	Volume	16,258,204	PE Ratio (TTM)	30.05	Ex-Dividend Date	--
Ask	45.62 x 140000	Avg. Volume	20,048,370	EPS (TTM)	1.52	1y Target Est	62.37

NIKE + lululemon

- Implied purchase price (equity value): **\$23.585B**
- Offer premium: **1.23x**
- Implied offer price: **\$190.30 per share**
- Financing assumption: **100% debt**

Nike is proposing a debt-financed acquisition of Lululemon at a defined premium.

lululemon athletica inc. (LULU) ☆

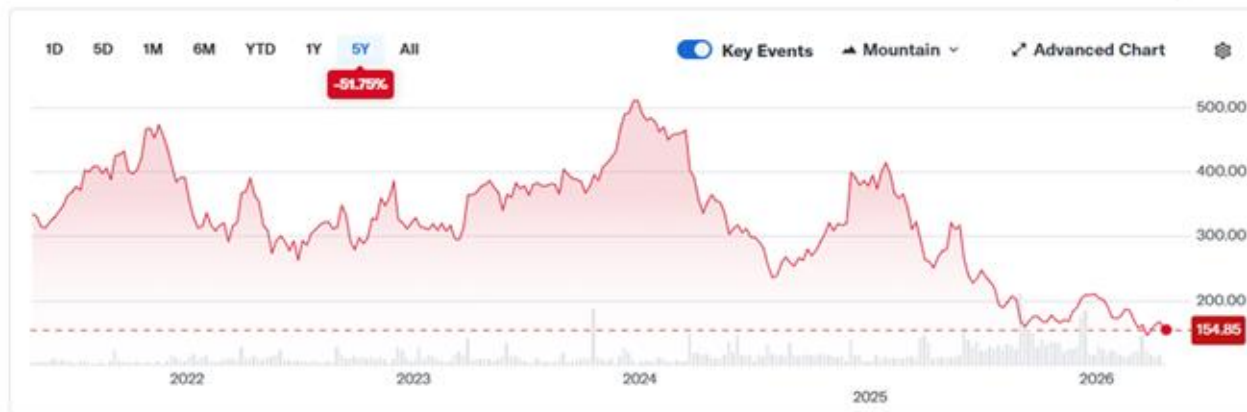
163.45 -3.25 (-1.95%) **154.85** -8.60 (-5.26%)

At close: 4:59:01 PM EDT

After hours: 5:23:02 PM EDT

Trade LULU on Coinbase

Trading disclosure



News headlines

Lululemon has announced Heidi O'Neill as the new CEO starting September 2026, while expanding its presence in Mexico through e-commerce and new store openings. The company's international growth strategy aims to enhance brand loyalty amidst slowing U.S. sales.

Updated 3m ago - Powered by Yahoo Scout

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Previous Close	166.70	Day's Range	161.21 - 168.20	Market Cap (intraday)	19.175B	Earnings Date (est.)	Jun 4, 21
Open	167.61	52 Week Range	143.96 - 340.25	Beta (5Y Monthly)	1.07	Forward Dividend & Yield	
Bid	163.17 x 200	Volume	2,232,139	PE Ratio (TTM)	12.34	Ex-Dividend Date	
Ask	163.73 x 300	Avg. Volume	2,488,236	EPS (TTM)	13.25	1y Target Est	183

NIKE + lululemon

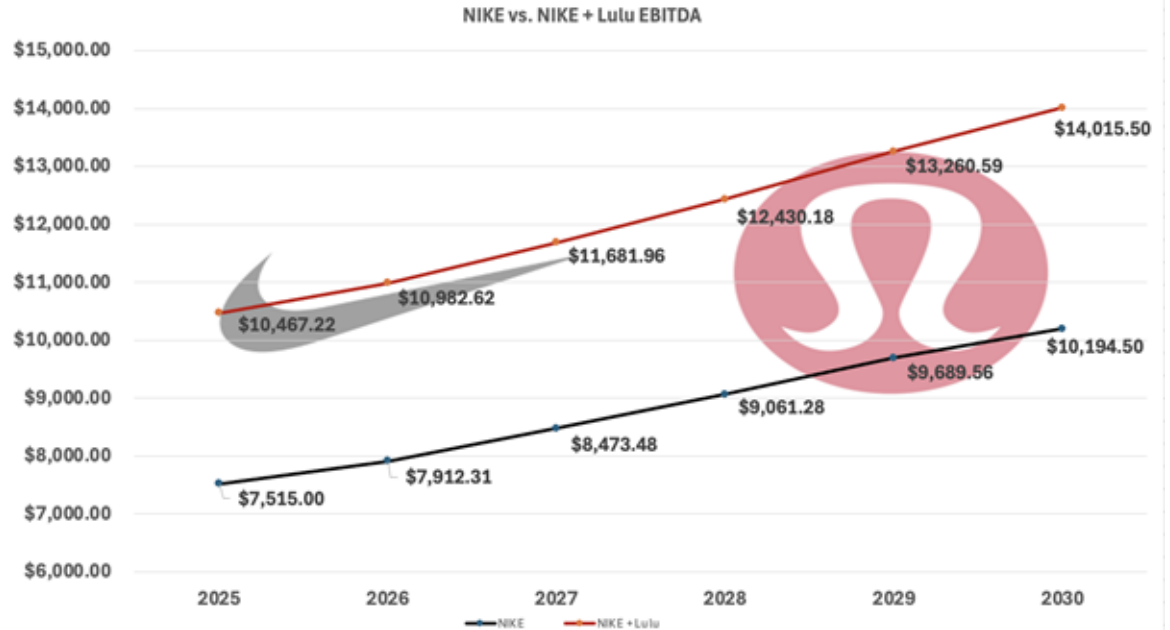
- **A-** to **BB+**
- Deal financed with 100% debt funding
- Implied 10-year borrowing rate: **6.63%**
- Financing impact: higher leverage lowers credit quality and raises interest costs

The acquisition increases debt, which weakens credit quality and increases borrowing costs.

Do not change anything on this tab									
		Average	3.66						
S & P Rating Calculations Projected		Value for scoring each ratio	7	6	5	4	3	2	1
	RATIO	3 Yr Avg (Thru 2018)	AAA	AA	A	BBB	BB	B	CCC
1	EBIT INTEREST COVERAGE	0.7	21.4	10.1	6.1	3.7	2.1	0.8	0.1
1	Scoring for the EBIT Interest coverage ratio	1.9							
Auto Feed from Rating Engine									
2	EBITDA INTEREST COVERAGE	0.8	26.5	12.9	9.1	5.8	3.4	1.8	1.3
2	Scoring for the EBITDA INTEREST COVERAGE Ratio	0.0							
Auto Feed from Rating Engine									
3	FUNDS FROM OPERATIONS / TOTAL DEBT	53.11%	128.8%	55.4%	43.2%	30.8%	18.8%	7.8%	1.6%
3	Scoring for the FUNDS FROM OPERATIONS / TOTAL DEBT Ratio	5.8							
Auto Feed from Rating Engine									
4	FREE OPER CASH / TOTAL DEBT	32.80%	84.2%	25.2%	15.0%	8.5%	2.6%	-3.2%	-12.9%
4	Scoring for the FREE OPER CASH / TOTAL DEBT	6.1							
Auto Feed from Rating Engine									
5	PRETAX RETURN ON CAPITAL	21.07%	34.9%	21.7%	19.4%	13.6%	11.6%	6.6%	1.0%
5	Scoring for the PRETAX RETURN ON CAPITAL	5.7							
Auto Feed from Rating Engine									
6	EBITDA / SALES	15.57%	27.0%	22.1%	18.6%	15.4%	13.4%	11.9%	10.9%
6	Scoring for the EBITDA / SALES	4.1							
Auto Feed from Rating Engine									
7	LONG TERM DEBT / CAPITALIZATION	62.25%	13.3%	28.2%	34.0%	42.5%	57.2%	69.7%	75.4%
7	Scoring for the LONG TERM DEBT / CAPITALIZATION	2.6							
Auto Feed from Rating Engine									
8	TOTAL INTEREST BEARING DEBT / EBITDA	2.45	0.4	0.9	1.6	2.2	3.5	5.3	7.0
8	Scoring for the TOTAL INTEREST BEARING DEBT / EBITDA	3.8							
Auto Feed from Rating Engine									
9	TOTAL INTEREST BEARING DEBT / TOTAL CAP	62.65%	22.9%	37.7%	42.5%	48.2%	62.6%	74.8%	87.7%
9	Scoring for the TOTAL INTEREST BEARING DEBT / TOTAL CAP	3.0							
Average		3.66							

NIKE + lululemon

- Nike standalone EBITDA (2030): ~**\$10.2B**
- Combined EBITDA (2030): ~**\$14.0B**
- Incremental EBITDA gain: ~**\$3.8B annually**
- Operating takeaway: significantly larger earnings base post-acquisition



Higher combined earnings help offset the increased financing risk from the debt-funded deal.

Should **NIKE** buy **lululemon**?

Pros

- **Higher profit:** EBITDA grows from ~\$10B to ~\$14B post-acquisition.
- **Greater scale:** Larger combined business supports long-term growth.

Cons

- **More debt:** the acquisition is financed with 100% debt.
- **Credit rating decline:** increasing interest expense, higher borrowing costs

YES!

- Earnings gain offsets added debt.
- Bigger, more profitable company long term.

Even though the deal adds debt, the large increase in earnings makes the acquisition worthwhile under the case assumptions.