

NIKE

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NIKE disappoints with North America sales growth

NIKE Inc. (NYSE:NKE) dropped in New York after-hours trading on Thursday after the group's quarterly sales in North America did not rack up the expected numbers.

The sportswear giant posted 10% growth in global sales at US\$10.3bn for the three months to 30 November, but North America, which provides the bulk of revenues, was only up 5% to US\$3.9bn.

Nike's gross profit rose 11% to US\$4.5bn compared to the same period last year, while earnings per share jumped 31% to US\$0.71. cash in the bank was 10% lower at US\$3bn.

Last month the brand severed ties with internet retail giant Amazon.com (NASDAQ:AMZN) to redirect its focus on the direct-to-consumer business.

According to some analysts, the disappointing quarterly results are a sign that the new direct sales strategy will need some time to take hold.

"Not many brands can afford to run up against Amazon but we think Nike is one of those that can," commented Jasper Lawler, head of research at London Capital Group.

Nike shares dipped 1.5% to US\$99.68 in pre-market trading on Friday.

Price: 85.38

Market Cap: \$132.97 billion

1 Year Share Price Graph



Share Information

Code: NKE

Listing: NYSE

52 week High Low
105.61 60

Sector: Manufacturing & engineering

Website: www.nike.com

Company Synopsis:

NIKE, Inc. (NIKE) is engaged in design, development and marketing of footwear, apparel, equipment and accessory products. It is a seller of athletic footwear and athletic apparel in the world. It sells its products to retail accounts, through NIKE-owned retail, including stores and Internet sales, and through a mix of independent distributors and licensees, in over 170 countries around the world.

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