Our Financial Path
Chris Collier
Chief Financial Officer
Our Consistent Strategy and Focus

Guided by Our Financial Principles

- Revenue Growth
- Operating Profit Expansion
- EPS Growth
- Cash Flow Generation
- Solid Capital Structure
Our Portfolio is Diversified, Balanced and Scaling

Revenue

- **FY13**
  - CEC: 42%
  - CTG: 30%
  - IEI: 16%
  - HRS: 12%
  - Revenue: $24B
  - HRS & IEI: $6.6B
  - Total: 28%

- **FY18**
  - CEC: 30%
  - CTG: 27%
  - IEI: 24%
  - HRS: 19%
  - Revenue: $25B
  - HRS & IEI: $10.7B
  - Total: 43%

- **FY20E**
  - CEC: ~26%
  - CTG: ~30%
  - IEI: ~26%
  - HRS: ~18%
  - Revenue: ~$30B
  - HRS & IEI: ~$13B
  - Total: ~44%
Transforming Our Business Capabilities to Support Sketch-to-Scale and Platform Initiatives

Over last 3 years we have built out our global system to enable innovation:
- Centers of Excellence
- CTO organization
- Over 20 global design centers

Investments aligning to our customer technology roadmaps

Repositioning to improve effectiveness and leveraging across the enterprise

Innovation and R&D Investments ($M)

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19E</th>
</tr>
</thead>
<tbody>
<tr>
<td>93</td>
<td>121</td>
<td>146</td>
<td>~120</td>
<td></td>
</tr>
</tbody>
</table>
Structurally Repositioning Our SG&A Levels

- Distinct actions taken to drive agility and efficiency
- Confident in our ability to leverage installed cost structure to support FY19 top-line expansion
- Targeted ability to operate in the range of 3 - 3.2% of revenues going forward
Reinvesting into Organic Growth

- Nearly half of FY19 capex supports our Auto, Medical, and Industrial capacity and capability expansion
- Targeted investment over 20% of capex to support India
- Large portion of investment in FY19 supports revenue growth beyond FY20
Cash Flow Generation

Revised Cash Flow Generation Targets FY18–FY20

- Revised targets reflect greater near-term capital intensity
- Business growth requiring increased investments in working capital
- Capex investments meaningfully above depreciation as we invest into growth
- Free cash flow generation moves higher off FY18 low point
Capital Allocation

- Reinvestment in our business fuels organic growth
- Maintaining commitment to return 50%+ of annual FCF generation to shareholders
- Limited need for M&A investment
- Maintain Investment Grade Credit Profile

FY16 - FY18

- Capex: 46%
- M&A (net of acq. funding) and Investments: 29%
- Share Repurchase: 25%
Our Goal and the Opportunity Remain

A strong partnership, technology and automation advancements, and a growing market all combine to bolster long-term value.

**Invest and Create**
- Investing in automation
- Moved into purpose built footwear factory
- Launched NIKEiD
- $100M+ revenue

**Ramp and Optimize**
- Significant Y/Y revenue growth
- Moving from losses to profitability in 2H’FY19
- Margins improving to CTG+ levels in FY20

**Expand**
- Continued regional expansion
- Realize HRS-like margins
- Top 10 customer
### Long-Term Business Group Financial Targets

<table>
<thead>
<tr>
<th>Business Group</th>
<th>Revenue Growth</th>
<th>OP Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRS</td>
<td>+10%</td>
<td>6 - 9%</td>
</tr>
<tr>
<td>IEI</td>
<td>+10%</td>
<td>4 - 6%</td>
</tr>
<tr>
<td>CTG</td>
<td>+5%</td>
<td>2 - 4%</td>
</tr>
<tr>
<td>CEC</td>
<td>Return to growth</td>
<td>2.5 - 3.5%</td>
</tr>
<tr>
<td>Business Group</td>
<td>Revenue</td>
<td>Comments</td>
</tr>
<tr>
<td>---------------</td>
<td>----------</td>
<td>----------</td>
</tr>
</tbody>
</table>
| HRS           | Up 2% to 7% | • Operating at scale with massively diverse set of capabilities  
                 • Programs and platform delays – not perishable revenue |
| IEI           | Up 10% to 20% | • Record bookings across broad portfolio  
                  • Benefitting from Sketch-to-Scale led solutions |
| CTG           | Up 20% to 30% | • Accelerating consumer and IoT demand in emerging India market |
| CEC           | - 2.5% to 2.5% | • Underlying portfolio continues to shift to greater concentration of cloud infrastructure |
Fiscal 2019 Guidance

- **$27B - $29B**
  - Revenue*

- **$900M - $975M**
  - Adjusted Operating Income

- **$170M - $180M**
  - Interest and Other

- **$1.20 - $1.30**
  - Adjusted Earnings Per Share

---

- Strong 2H top-line expansion with less seasonality due to multiple ramping programs
- Optimized SG&A spend drives leverage with top-line growth
- Interest reflects anticipated rate increases and over $0.04 in losses from our equity interests
- WASO reflects returning 50% of our annual Free Cash Flow through share repurchases

---

*The Company’s fiscal 2019 outlook excludes the impact from adoption of ASU 2014-09 “Revenue from Contracts with Customers (Topic 606)”.*
Structured for Earnings Leverage Through 2020 and Beyond

FY18 IEI HRS CEC CTG excl. Nike Nike Corp & Other Share Repurchase Interest, Taxes & Others FY20E

$1.09  ~$0.17  ~$0.07  ~$0.06  ~$0.16  ~$0.05  ~$0.04  ~($0.16)  ~$0.07  ~$0.05  ~$0.06  ~$1.55
Our Path to Creating Shareholder Value

- **Balanced Portfolio**
- **Operating Profit Expansion**
- **Consistent Cash Flow Generation**
- **Return Value to Shareholders**