

**Czech University of Life Sciences Prague**

Faculty of Economics and Management

Department of Economics



## **BACHELOR THESIS**

**Summary**

**Financial analysis of Nike, Inc.**

**Finanční analýza Nike, Inc.**

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# **1 Introduction**

This diploma thesis examines the topic “Financial Analysis of Nike, Inc.”.

The goal of this bachelor thesis is to analyze and evaluate financial situation of one of the best sports brands, multinational company Nike, Inc.

Bachelor thesis is divided into two main parts: theoretical and practical section.

In theoretical part I have described main theoretical aspects concerning topic of thesis. For example, I have briefly described meaning of financial analysis and their purpose, what types of analysis exists and what tools are used.

In the practical part I presented history of selected in this thesis company. For better understanding of company’s main activities I have made SWOT analysis of the enterprise.

Next step, in my thesis, was analyzing financial activity of Nike Inc., their shares and annual reports.

I have written and analyzed the data that are associated with financial activity.

The aim of this section is firstly to evaluate strengths and weaknesses of company and if it is reasonable to invest in its stocks.

## **2 Keywords**

financial analysis, horizontal analysis, vertical analysis, profitability, fundamental analysis, technical analysis, financial statement

## **3 Objectives of thesis**

The objective of this thesis is to analyze financial statement of Multinational Corporation, a major manufacturer of sports equipment- Nike Inc. The main purpose of this work is to study the economic situation of company, identifying the main problems of financial activities and ways to improve it.

The first goal was to explore the theoretical and methodological foundation of the financial analysis and theoretical features of fundamental and technical analysis.

The second goal was to identify company's development in the past and its current situation.

The third goal was to explain use of key indicators of company’s financial statement.

To conclude this work I tried to give a general assessment of the financial performance of the enterprise.

## **4 Methodology**

I have used statistical, mathematical, methods of analysis and synthesis in order to achieve the goal of this thesis.

Graphs, figures and statistical tables were used to improve understanding and visualization of presentation of the results of research.

One of the methods is an analogy which helps to achieve knowledge about enterprise comparing it with similar one.

In the practical part, I decided to combine different types of financial analysis such as fundamental, technical, horizontal and vertical. To solve given in thesis problems financial data such as income statements, balance sheet and cash flow were used.

## **5 Main findings**

In my bachelor thesis I was analyzing extremely popular company – Nike, Inc. It is an example of successful and quickly developed enterprise.

While writing practical part, I have found out a lot of interesting and useful information. Nike, Inc. trades sports clothing and footwear. Company's store is aimed at a fairly broad audience. A characteristic feature of the company, which distinguishes it from other types of businesses, is the fact that its main task is deep and comprehensive study and formation of the client (consumer) demand.

According to financial analysis that was made, Nike has well prospective for future growth. They are leader on the market.

According to data for year 2015, Nike employs around 62,600 people worldwide, which is extremely high number.

Nike activities for fiscal year 2015 was favorable, the corporation managed to get 2.8 billion dollars (+ 10%) more in revenue than in 2014, while not increasing production costs.

## **6 Conclusion**

Financial position is the most important characteristic of the economic activity of the enterprise. It displays the competitiveness of the enterprise, its potential in business cooperation.

Without analysis of the financial condition, functioning of any economic operator is impossible nowadays. At the present time, enterprises build their own relationships with investors, creditors, banks, which, in turn, assess their financial condition. The main (sometimes the only) source of information about the financial performance of the business partner is an accounting statement that became public.

So, everyone can analyze data and make decision about investment in particular company.

Company that was analyzed in bachelor thesis is an example of successful enterprise with positive financial performance.

In general Nike is a very good company with a good reputation of goods, with good financial policies, with remarkable fundamentals and good prediction for the future growth.

## 7 References

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