



Case study 8 – Financial Analysis

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## **Executive Summary**

Nike has been an industry leader in the athletic footwear industry and sports apparel. Nike's brand image has drastically increased throughout the years. They have been able to add big names such as Kobe Bryant, Michael Jordan and Kevin Durant. These athletes and many others have helped increased brand image and awareness. The first building block we focus on as a group is short term liquidity analysis which focuses on how well the company can pay off it's short term debt. The next ratio we focused on is the asset utilization ratio which represents how well the company is currently using their assets. The solvency ratio and the profit margin ratio. The profit margin ratio represents how much profit the company is actually making. The profit margin ratio is one of the most highly used ratios that help determine whether or not an investors should invest in a specific company. The other major ratio and our last building block focuses on the return on investment ratios. These ratios are also highly used. As an investor one always want to know what kind of return on my capital am I looking at. These ratios also analyze how well previous investors have done in respect to the specific company. Finally we analyzed the market measure ratios of Nike. These ratios represent the companies share of the market and also determines if an investor has high expectations to ensure a positive return.

## **Introduction**

Nike was founded in 1964 by Phil Knight and Bill Bowerman. Currently Nike is an industry leader in athletic footwear and sports apparel. Nike currently has over 700 locations worldwide. Inside these location it includes all the manufacturing plants, locations in which they sell their products and also where they conduct all their financials. Nike is well known for their logo, the durability their product offers and how well they have been able to stay top of the market with innovated products. They manufacture products that consumers are always in demand for. Nike's footwear is known for providing comfortable and unique sneakers. Nike focuses on Brand products in many categories which include running, basketball, soccer, men and women physical fitness training, action sports, sportswear and Golf. In regard to Nike's control in the sports industry the basketball segment also includes its Jordan brand product offerings, and Men's training includes its baseball and American football product offerings. The Company also designs products for kids, as well as for other athletic and recreational uses, such as cricket, lacrosse, tennis, volleyball, wrestling, walking and outdoor activities. The Company's athletic footwear products are designed primarily for specific athletic use, even though a large percentage of the products are worn for casual or leisure purposes. Management strategies includes ensuring innovation is always in effect. Part of the reason Nike has been able to control so much of the market is due to innovation. Nike's management have been able to adapt to all economic and social changes while providing the consumers exactly what they want.

## **Industry Analysis**

Nike specializes in the sporting goods industry including, but not limited to, footwear, apparel, equipment, and accessories. They have dominated this industry for many years across the US and the globe. They have a strong business plan and a deep presence in the world of athletics as well as strategic marketing that places them way above their competition. What contributes to their continuous success is their innovation and the talent to constantly address their consumers' demands for the best and most efficient goods.

The company has left an imprint on the world that signifies that they are the best people can get. With such huge success for decades, Nike has no strong competitors going heavily against them, but speaking of rival competitors, Adidas is another worldwide company in the sporting goods industry that has been making sales in Europe. UnderArmour is another company in the industry that is starting to be popular in America. There are a fair amount of other competitors out there, but they have yet to make a big splash into the industry that would challenge Nike. Adidas originating in Europe has a stronger presence overseas than Nike and so the growth is slower than it would be for the native companies. However, this is not to say that Nike is not getting a hold of international competition since Nike has spread and held markets all over the world. UnderArmour is gaining popularity with the newly designed technology that further innovates compression clothing to better performance for the seasons and this is rising in the states. Nike, like UnderArmour, has come up with similar technologies to make this type of clothing possible as well and competes in that market. Despite these

minor challenges, Nike has adapted and innovated new ways to get back at them and go beyond to lead the trends in the sports world.

The numbers are proof that Nike has done well in the industry. They have 59% of the market shares worldwide and 48% in the United States. Their grasp on the market dwarves all competition like Adidas whom has only 9% of the shares in the US. This only further supports that Nike's success is leaving a legacy in the industry which will continue for years to come. In addition, Adidas has been dropping in America since 2011 and continues to, so that small 9% could soon be 5% if Nike continues to thrive. Within that market share, Nike is also the most dominant company in the basketball world, holding 96% of all basketball sportswear.

Another show of dominance by Nike is their constant innovation of the next best thing. They been in the game long enough to know what consumers wants while being able to rival other name brands' products. Their technology is top-notch while also improving their system to better the environment. What dominates the industry is lightweight material and Nike has done just that. In 2012, Nike hit a high of \$86.89 billion due to their innovative technology of Flyknit, a revolutionary material of basically knitted fabric that when sewed together is wearable as footwear, but impressively breathable and super light. This has been the pinnacle of footwear that is great for everyday running and comfort. This has changed the modern industry to focus more on knitted material rather than leather. To add on to Nike's innovative success, they also changed how their products are made to improving the world and reducing waste. To create clean material from used goods, Nike is recycling plastic bottles to create strands of polyester which would be threaded into the fabric of their light apparel. They are

using less water to dye their products, reducing the usage of water used yearly for the strenuous process to make their clothing appealing. They are creating the future for new fields made of old, recycled sneakers where they grind them into bits that would be used for playable fields and courts. These developments has proven time and time again that Nike is for the people.

### **Economic Analysis**

Nike has done very well economically. They continuously grown throughout the years with huge bursts with the new innovative trends that they released, or otherwise on a steady pace. It is expected of them to continue to do well this year since the Olympics is taking place once again. The Olympics signifies the summit of athletes from all over the world competing and there is no better way to display their products than on the biggest stage in competitive sports. Additionally, with the economy steadily improving since the recession, sales are expected to soar, even though it did not have an effect on their revenue. What is a concern is the currency value that is fluctuating in foreign countries, specifically in Latin America, Europe, and Japan. Currency depreciation is the only thing presently existing that would affect their performance. Although that is a concern, it is not one that would negatively affect their income, but rather slow their growth down a bit. With this, the stock market is expected to be relatively the same because there will not be a huge jump in stock, unless an unforeseen event is to take hold.

Nike has been using the same strategy for years. Their motto revolves on innovation and inspiration through successful marketing and branding. Innovation is

always priority for them, which is why Nike never ceases to amaze the competition and the consumers. They want the best out there that revolutionizes how people present themselves. This evident in their spendings which is called “Demand Creation” where they spend \$100 per second to market their products out there either through sponsorships with famous athletes, collaborations with designers, or giant ads across the world to get their brand out, “Just do it”. In addition to constant marketing, there is street hype over old products especially the Jordan line of shoes. This hype is self sustaining and continues to exist for decades as free marketing for Nike which brings them \$2.25 billion constantly every year. A giant in the industry with so much presence in the world has little to fear in the competition of this industry.

### **Short-term Liquidity Analysis**

	2015	2014	2013	2012	2011	Adidas
Current Ratio	2.52	2.72	3.44	2.98	2.85	1.40
Acid-test Ratio	1.47	1.71	2.29	1.82	1.94	0.64
Accounts Receivable Turnover	9.01	8.49	7.91	7.52	7.21	8.47
Inventories Turnover	3.99	4.13	4.18	4.50	4.77	3.10
Days' Sales in Receivables	40.05	45.09	44.95	49.62	54.90	44.21
Days' Sales in Inventories	95.74	93.84	89.06	89.53	87.28	129.89
Working Capital	9,642	8,669	9,668	7,666	7,339	2,133
Days' Purchases in Accounts Payable	47.04	45.88	42.66	42.44	47.22	84.45
Average Net Trade Cycle	88.75	93.04	91.34	96.71	94.96	89.65
Cash Provided by operation to average current liabilities	82.39%	67.04%	77.48%	48.55%	49.49%	22.30%

In general, Nike’s ratios are very steady and better than those of Adidas. The current ratio in 2015 is significantly higher than Adidas’s, however, there is a downward trend in recent years. In addition, quick ratio has been decreasing since 2013 which raises a concern about the quality of Nike’s current assets. On the other hand, Nike has good Working Capital, which has been increasing, especially with most of current liabilities are considered lower risk. Net Trade Cycle, one of the important ratio, is high,

due to high number of Days' Sales in Inventories. However, it is less dangerous with a high number in Current Ratio. Also, Nike has been improving its operation to shorten its Net Trade Cycle. Lastly, Nike's cash flow from operation is high enough to cover its current liabilities. This ratio is much higher than the benchmark of 40%. Overall, Nike has sufficient short-term liquidity.

### **Asset Utilization**

Asset Utilization	2015	2014	2013	2012	2011	Adidas
Sales to Cash and equivalents	7.94	12.52	7.59	10.41	10.67	12.39
Sales to Receivables	9.11	8.10	8.12	7.36	6.65	7.32
Sales to Inventories	7.06	7.04	7.27	7.20	7.68	5.43
Sales to Working Capital	3.17	3.21	2.62	3.15	2.84	7.93
Sales to Fixed Assets	9.74	9.38	9.80	9.73	9.86	12.15
Sales to Other Assets	12.33	14.38	19.00	16.59	15.11	
Sales to Total Assets	1.42	1.50	1.44	1.56	1.39	1.27
Sales to short term liability	4.83	5.53	6.39	6.24	5.27	3.15

Nike does not carry nearly as much cash as it's competitors but they still show a steady increase in receivables. Every year they tend to have an increased their receivables which can represent the company is moving more towards lending. Nike should be conscious of its receivables increasing because it can represent a lax in how Nike collects its debt. Nike has a low working capital compared to Adidas but they are still able to pay off its current liabilities with its current assets 3.17 times over.

## Solvency Analysis

	2015	2014	2013	2012	2011	Adidas
Total Debt to Equity	0.70	0.72	0.58	0.49	0.52	0.42
TOTL/TOTA	0.41	0.42	0.37	0.33	0.34	0.28
LTD/Total Assets	0.05	0.06	0.07	0.01	0.02	0.31
Financial Leverage Ratio	1.00	1.65	1.54	1.51	1.50	2.29
Financial Leverage Index	0.63	0.65	0.68	0.70	0.70	0.43
Altman Z-Score	8.78	8.22	8.4	9.12	7.7	3.92
Earnings to fixed charges	1.13	0.37	1.00	0.68	1.18	1.97
Cash Flow to fixed charges	14.59	20.39	17.64	15.90	24.25	16.30

This solvency ratio represents how well Nike can effectively pay its debt. Nike is in a good position to pay off their debt. What stands out about these ratio is that Nike has very little long term debt. In a rare case of bankruptcy they will not have to focus much on long term debt. They will be able to pay off its debt in a timely manner. Also Nike has been able to decrease its cash flow to fixed charges lowering how much of its cash must be used to pay any immediate fixed charges. Nike has done well reducing its fixed charges. Also nikes z-score is very attractive compared to Adidas because they are far from bankruptcy and it shows a good future free from bankruptcy for years to come.

## Profitability Analysis

Profit Margins	2015	2014	2013	2012	2011	Adidas
Gross Profit Margin	45.97%	44.77%	43.59%	43.40%	45.58%	48.28%
Operating Profit Margin	13.85%	12.89%	13.02%	12.50%	13.80%	6.54%
Net Profit Margin	10.70%	9.69%	9.82%	9.21%	10.22%	3.78%

Nike has done well in regards to its net profit margin. As stated in the executive summary, this is one of the more important ratios. The gross profit margin indicate the

percentage of revenue that is available to cover all the operating expensing and other expenditures. Adidas does provide a higher gross operating margin but Nike is still healthy enough to pay additional expenses after cost of goods sold. The more important number to focus on in this segment would be net profit margin. Nike, compared to one of its biggest competitors has a much more attractive net profit margin. When noticing a steady rate investors are more than likely to invest in Nike over Adidas. Nike tries to keep its operating cost down compared to Adidas which is why they provide a more attractive net profit margin. The Net profit margin represents how much of each dollar earned in revenue is turned in profits. In Nike's industry this is what investors want.

### **Return on Investment Analysis**

	2015	2014	2013	2012	2011	Adidas
ROA	16.39%	15.04%	15.02%	14.73%	14.65%	5.44%
ROCE	26.14%	23.09%	21.99%	20.99%	20.83%	10.97%
Adjusted PM	10.70%	9.69%	9.82%	9.21%	10.22%	3.78%
AT	1.52	1.54	1.53	1.58	1.42	1.31
FL Ratio	1.60	1.55	1.46	1.44	1.44	2.21
Equity Growth Rate	20.18%	17.29%	16.41%	15.86%	16.10%	6.48%

Invested Capital in Nike shows good return rates. Return on Net Operating Assets of Nike is significantly higher than that of Adidas and this ratio has been increasing over the 5-year period. Return on Common Equity ratio it also increasing. This is disaggregated into 3 components: Adjusted Profit Margin, Asset Turnover and Financial Leverage Ratio, to analyze further. Asset Turnover and Financial Leverage Ratio of Nike is at around the same level with Adidas's. However, its Profit Margin is far better than its competitor. Therefore, the high Return of Common Equity is due mostly to a large amount in adjusted Profit Margin. Nike also shows significant equity growth

rate compared to Adidas. The equity growth rate tells us how much Nike is worth if they were no longer a company. This number has been increasing every year which also lets us know this company is very healthy terms of what it's worth.

### **Market Measures**

	2015		2014		
	High	Low	High	Low	
Price to earnings		57.03	39.54	53.87	39.67
Earnings Yield		2.07%		2.14%	
Dividend Yield		1.21%		1.33%	
Dividend payout ratio		58.38%		62.42%	

Nike is well known for being market leaders in their industry. These ratios represent how well they are doing in those areas. In regards to price to earning, Nike investors expect high returns. The larger the number the more investors are expecting in return. Nike's dividend payout ratio was increasing from 2011 until 2014. In year 2015 it represented the first year in many that dividend payout ratio has declined. In part it has to do with the economy and how well the company is operating.

### **Conclusion**

Nike is a healthy company that shows no signs of decreasing its market share anytime soon. With that being said Nike does not have a lot of room for large growths in the economy since they already control most of the market. For current investors we believe it's time for them to sale some of their shares and earn a huge profit if they invested prior to 2006. For new investors who are looking for a safe return on their investments, Nike is the way to go. They are always on a small but steady increase in net profit margin along with its return on investments. These numbers slightly increase

every year but not enough for new investors who have little capital and are looking for big returns. Nike is a mature company with no signs of bankruptcy anytime soon.

## Appendix

### Liquidity Ratios

$$\text{Current ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Acid-test ratio} = \frac{\text{Cash} + \text{Accounts Receivable} + \text{Short-term Investments}}{\text{Current Liabilities}}$$

$$\text{Accounts receivable turnover} = \frac{\text{Net sales}}{\text{Average receivables}}$$

$$\text{Inventory turnover} = \frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$$

$$\text{Days' Sales in receivables} = \frac{\text{Ending accounts receivable}}{\text{Sales}/365}$$

$$\text{Days' Sales in inventories} = \frac{\text{Ending inventory}}{\text{Cost of goods sold}/365}$$

$$\text{Working Capital} = \text{Current Assets} - \text{Current Liabilities}$$

$$\text{Days' Purchases in Accounts Payable (AP)} = \frac{365}{\text{AP turnover}}; \text{ AP turnover} = \frac{\text{Inventory Purchased}}{\text{Average AP}}$$

$$\text{Average Net Trade Cycle} = \text{Days' Sales in receivables} + \text{Days' Sales in inventories} - \text{Days' Purchases in Accounts Payable}$$

$$\text{Cash Provided by operations to average current liabilities (CL)} =$$

$$\frac{\text{Cash from operations}}{(\text{Beginning CL} + \text{Ending CL})/2}$$

### Capital Structure and Solvency Ratios

$$\text{Total debt to equity} = \frac{\text{Total debt}}{\text{Equity Capital}}$$

$$\text{Total Liabilities/Total Assets}$$

$$\text{Long-term Debt/Total Assets}$$

$$\text{Financial Leverage Ratios} = \frac{\text{Average Assets}}{\text{Average Common Equity}}$$

$$\text{Financial Leverage Index} = \frac{\text{Return of Common Equity}}{\text{Return of Assets}}$$

$$\text{Altman Z-Score} = 1.2 * \frac{\text{Working Capital}}{\text{Total Assets}} + 1.4 * \frac{\text{Retained Earnings}}{\text{Total Assets}} + 3.3 * \frac{\text{EBIT}}{\text{Total Assets}} + 0.6 * \frac{\text{Market Value of Equity}}{\text{Total Liabilities}} + 1.0 * \frac{\text{Sales}}{\text{Total Assets}}$$

Earnings to fixed charges =

$$\frac{\text{Pretax Income} + \text{Interest Expenses} + \text{Interest portion of rent expenses} - \text{Undistributed equity in earnings in affiliates}}{\text{Interest incurred} + \text{interest portion of rent expense}}$$

Cash flow to fixed Charges =

$$\frac{\text{Cash flow from operations} + \text{current tax expense} + \text{Interest Expenses} + \text{Interest portion of rent expenses}}{\text{Interest incurred} + \text{interest portion of rent expense}}$$

## Profitability Ratios

$$\text{Gross Profit Margin} = \frac{\text{Net Sales} - \text{Cost of Goods sold}}{\text{Net Sales}}$$

$$\text{Operating Profit Margin} = \frac{\text{Income before taxes and interest expense}}{\text{Net sales}}$$

$$\text{Net profit margin} = \frac{\text{Net Income}}{\text{Net sales}}$$

## Return on Invested Capital Ratios

$$\text{Return on Assets} = \frac{\text{Net Income} + \text{Interest expense (1-Tax rate)} + \text{minority interest}}{\text{Average total assets}}$$

$$\text{Return on Common Equity} = \frac{\text{Net Income} - \text{Preferred Dividend}}{\text{Average Common Equity}} = \text{Adjusted PM} + \text{AT} + \text{FL Ratio}$$

$$\text{Adjusted Profit Margin} = \frac{\text{Net Income} - \text{preferred dividend}}{\text{Net sales}}$$

$$\text{Asset turnover} = \frac{\text{Net sales}}{\text{Average total assets}}$$

$$\text{Financial Leverage Ratio} = \frac{\text{Average total assets}}{\text{Average Common Equity}}$$

## NIKE, Inc. Consolidated Statements of Income

<i>(In millions, except per share data)</i>	Year Ended May 31,		
	2015	2014	2013
Income from continuing operations:			
Revenues	\$ 30,601	\$ 27,799	\$ 25,313
Cost of sales	16,534	15,353	14,279
Gross profit	14,067	12,446	11,034
Demand creation expense	3,213	3,031	2,745
Operating overhead expense	6,679	5,735	5,051
Total selling and administrative expense	9,892	8,766	7,796
Interest expense (income), net (Notes 6, 7 and 8)	28	33	(3)
Other (income) expense, net (Note 17)	(58)	103	(15)
Income before income taxes	4,205	3,544	3,256
Income tax expense (Note 9)	932	851	805
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>3,273</b>	<b>2,693</b>	<b>2,451</b>
<b>NET INCOME FROM DISCONTINUED OPERATIONS</b>	<b>—</b>	<b>—</b>	<b>21</b>
<b>NET INCOME</b>	<b>\$ 3,273</b>	<b>\$ 2,693</b>	<b>\$ 2,472</b>
Earnings per common share from continuing operations:			
Basic (Notes 1 and 12)	\$ 3.80	\$ 3.05	\$ 2.74
Diluted (Notes 1 and 12)	\$ 3.70	\$ 2.97	\$ 2.68
Earnings per common share from discontinued operations:			
Basic (Notes 1 and 12)	\$ —	\$ —	\$ 0.02
Diluted (Notes 1 and 12)	\$ —	\$ —	\$ 0.02
Dividends declared per common share	\$ 1.08	\$ 0.93	\$ 0.81

## NIKE, Inc. Consolidated Balance Sheets

<i>(In millions)</i>	May 31,	
	2015	2014
<b>ASSETS</b>		
Current assets:		
Cash and equivalents (Note 6)	\$ 3,852	\$ 2,220
Short-term investments (Note 6)	2,072	2,922
Accounts receivable, net (Note 1)	3,358	3,434
Inventories (Notes 1 and 2)	4,337	3,947
Deferred income taxes (Note 9)	389	355
Prepaid expenses and other current assets (Notes 6 and 17)	1,968	818
Total current assets	15,976	13,696
Property, plant and equipment, net (Note 3)	3,011	2,834
Identifiable intangible assets, net (Note 4)	281	282
Goodwill (Note 4)	131	131
Deferred income taxes and other assets (Notes 6, 9 and 17)	2,201	1,651
<b>TOTAL ASSETS</b>	<b>\$ 21,600</b>	<b>\$ 18,594</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt (Note 8)	\$ 107	\$ 7
Notes payable (Note 7)	74	167
Accounts payable (Note 7)	2,131	1,930
Accrued liabilities (Notes 5, 6 and 17)	3,951	2,491
Income taxes payable (Note 9)	71	432
Total current liabilities	6,334	5,027
Long-term debt (Note 8)	1,079	1,199
Deferred income taxes and other liabilities (Notes 6, 9, 13 and 17)	1,480	1,544
Commitments and contingencies (Note 16)	—	—
Redeemable preferred stock (Note 10)	—	—
Shareholders' equity:		
Common stock at stated value (Note 11):		
Class A convertible — 178 and 178 shares outstanding	—	—
Class B — 679 and 692 shares outstanding	3	3
Capital in excess of stated value	6,773	5,865
Accumulated other comprehensive income (Note 14)	1,246	85
Retained earnings	4,685	4,871
Total shareholders' equity	12,707	10,824
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 21,600</b>	<b>\$ 18,594</b>

## Common-sized Balance Sheets

FISCAL YEAR	2015	2014	2013	2012	2011	Adidas
<b>ASSET</b>						
Cash and equivalents	17.83%	11.94%	19.02%	14.98%	13.04%	10.23%
Short-term investments	9.59%	15.71%	14.98%	9.31%	17.22%	0.04%
Accounts receivable, net	15.55%	18.47%	17.77%	21.21%	20.92%	15.36%
Inventories	20.08%	21.23%	19.86%	21.66%	18.10%	23.33%
<i>Total current assets</i>	73.96%	73.66%	77.69%	74.56%	75.32%	56.19%
Property, plant and equipment, net	13.94%	15.24%	13.98%	14.74%	14.10%	12.28%
Deferred income taxes and other assets	10.19%	8.88%	5.94%	5.94%	5.96%	
<b>TOTAL ASSETS</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<i>Current liabilities:</i>						
Accounts payable	9.87%	10.38%	9.51%	10.27%	9.79%	15.17%
Accrued liabilities	18.29%	13.40%	11.60%	13.28%	13.24%	
Income taxes payable	0.33%	2.32%	0.48%	0.43%	0.78%	2.69%
Liabilities of discontinued operations			0.10%			0.00%
<i>Total current liabilities</i>	29.32%	27.04%	22.58%	24.99%	26.39%	40.20%
Long-term debt	5.00%	6.45%	6.90%	1.47%	1.84%	
Deferred income taxes and other liabilities	6.85%	8.30%	7.36%	6.41%	6.14%	
Retained earnings	21.69%	26.20%	32.03%	36.13%	38.68%	36.53%
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## Common-sized Statements of Income

FISCAL YEAR	2015	2014	2013	2012	2011	Adidas
Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of sales	-54.03%	-55.23%	-56.41%	-56.60%	-54.42%	-51.72%
Gross profit	45.97%	44.77%	43.59%	43.40%	45.58%	48.29%
Demand creation expense	-10.50%	-10.90%	-10.84%	-11.24%	-11.73%	
Operating overhead expense	-21.83%	-20.63%	-19.89%	-19.56%	-20.35%	
Selling and administrative expense	-32.33%	-31.53%	-30.74%	-30.80%	-32.08%	
Operating income	13.64%	13.24%	12.86%	12.60%	13.49%	1.73%
Interest income	0.02%	0.02%	0.10%	0.12%	0.14%	0.27%
Interest expense	-0.11%	-0.14%	-0.09%	-0.14%	-0.16%	-0.40%
Interest income (expense), net	-0.09%	-0.12%	0.01%	-0.01%	-0.02%	-0.12%
Other income (expense), net	0.19%	-0.37%	0.06%	-0.22%	0.16%	
Income before income taxes	13.74%	12.75%	12.93%	12.36%	13.63%	6.14%
Income tax expense	-3.05%	-3.06%	-3.19%	-3.15%	-3.41%	-2.09%
Net income from continuing operations	10.70%	9.69%	9.73%	9.21%	10.22%	4.06%
Net income from discontinued operations		-	0.08%	-	-	-0.27%
Net income	<b>10.70%</b>	<b>9.69%</b>	<b>9.82%</b>	<b>9.21%</b>	<b>10.22%</b>	<b>3.78%</b>