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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 8-K

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

**September 1, 2022**  
Date of Report (Date of earliest event reported)

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## **lululemon athletica inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-33608**  
(Commission  
File Number)

**20-3842867**  
(IRS Employer  
Identification No.)

**1818 Cornwall Avenue**  
**Vancouver, British Columbia**  
**Canada, V6J 1C7**  
(Address of principal executive offices, including Zip Code)

**Registrant's telephone number, including area code: (604) 732-6124**

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Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u>                | <u>Trading symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|---|--------------------------|--|
| Common Stock, par value \$0.005 per share | LULU                     | Nasdaq Global Select Market                      |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02. Results of Operations and Financial Condition.**

On September 1, 2022, lululemon athletica inc. (the "Company") issued a press release announcing its financial results for the second quarter ended July 31, 2022 and certain other information. A copy of the Company's press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. As previously announced, the Company has scheduled a conference call for 4:30 p.m. Eastern time on September 1, 2022 to discuss its financial results.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u>   |
|--------------------|--|
| 99.1               | <a href="#">Press release issued on September 1, 2022.</a> |
| 104                | Cover Page Interactive Data File (formatted in iXBRL)      |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

lululemon athletica inc.

Dated: September 1, 2022

/s/ MEGHAN FRANK

Meghan Frank

Chief Financial Officer



## LULULEMON ATHLETICA INC. ANNOUNCES SECOND QUARTER FISCAL 2022 RESULTS

**Revenue increased 29% to \$1.9 billion**  
**Comparable sales increased 23%, or increased 25% on a constant dollar basis**  
**Diluted EPS of \$2.26, Adjusted EPS of \$2.20**

**Vancouver, British Columbia – September 1, 2022** – lululemon athletica inc. (NASDAQ:LULU) today announced financial results for the second quarter of fiscal 2022.

Calvin McDonald, Chief Executive Officer, stated: "The momentum in our business continued in the second quarter, fueled by strong guest response to our product innovations, community activations, and omni experience. I would like to express my gratitude to our teams around the world for their continued dedication and enthusiasm for our brand, which enabled us to generate this elevated level of performance. As we look ahead, we're excited about our ability to successfully deliver against our Power of Three x2 growth plan and create ongoing value for all our stakeholders."

The adjusted non-GAAP financial measures below exclude a gain on the sale of an administrative building in fiscal 2022 and certain costs incurred in connection with the acquisition of MIRROR in fiscal 2021, and the related tax effects.

The fiscal year ending January 29, 2023 is referred to as "2022", the fiscal year ended January 30, 2022 is referred to as "2021", and the fiscal year ended February 2, 2020 is referred to as "2019".

For the second quarter of 2022, compared to the second quarter of 2021:

- Net revenue increased 29% to \$1.9 billion.
  - Net revenue increased 28% in North America, and increased 35% internationally.
- Total comparable sales increased 23%, or 25% on a constant dollar basis.
  - Comparable store sales increased 16%, or 18% on a constant dollar basis.
  - Direct to consumer net revenue increased 30%, or 32% on a constant dollar basis.
- Direct to consumer net revenue represented 42% of total net revenue compared to 41% for the second quarter of 2021.
- Gross profit increased 25% to \$1.1 billion and gross margin decreased 160 basis points to 56.5%.
- Income from operations increased 38% to \$401.2 million. Adjusted income from operations increased 31%.
- Operating margin increased 140 basis points to 21.5%. Adjusted operating margin increased 30 basis points.
- Income tax expense increased 35% to \$111.8 million. The effective tax rate for the second quarter of 2022 was 27.9% compared to 28.5% for the second quarter of 2021. The adjusted effective tax rate was 28.2% compared to 27.9% for the second quarter of 2021.
- Diluted earnings per share were \$2.26 compared to \$1.59 in the second quarter of 2021. Adjusted diluted earnings per share were \$2.20 compared to \$1.65 in the second quarter of 2021.
- The Company repurchased 0.4 million shares of its own common stock at an average price of \$298.38 per share for a total cost of \$125.3 million.
- The Company opened 21 net new company-operated stores during the second quarter, ending with 600 stores.

For the second quarter of 2022, compared to the second quarter of 2019:

- Net revenue increased by \$1.0 billion, or 112%, representing a three-year compound annual growth rate of 28%.
- Gross margin increased 150 basis points.
- Operating margin increased 250 basis points. Adjusted operating margin increased 190 basis points.
- Diluted earnings per share were \$2.26 compared to \$0.96 in the second quarter of 2019. Adjusted diluted earnings per share were \$2.20 for the second quarter of 2022.



Meghan Frank, Chief Financial Officer, stated: "Our teams continue to execute at a high level, which is driving our strong financial and business performance. Despite the challenges around us in the macro-environment, guest traffic in our stores and on our e-commerce sites remains robust, which speaks to the strength of our multi-dimensional operating model. I am pleased with our start to the third quarter and believe we are well positioned for the fall and holiday seasons."

### **Balance sheet highlights**

The Company ended the second quarter of 2022 with \$498.8 million in cash and cash equivalents and the capacity under its committed revolving credit facility was \$394.8 million.

Inventories at the end of the second quarter of 2022 increased 85% to \$1.5 billion compared to \$0.8 billion at the end of the second quarter of 2021. On a unit basis inventory increased 64%, representing a three-year compound annual growth rate of 38%, which is inclusive of two-percentage points for in-transit inventories. The Company believes its inventories are well positioned to support its expected revenue growth in the third quarter.

### **2022 Outlook**

For the third quarter of 2022, the Company expects net revenue to be in the range of \$1.780 billion to \$1.805 billion, representing a three-year compound annual growth rate of approximately 25%. Diluted earnings per share are expected to be in the range of \$1.90 to \$1.95 for the quarter.

For 2022, the Company expects net revenue to be in the range of \$7.865 billion to \$7.940 billion, representing a three-year compound annual growth rate of approximately 26%. Diluted earnings per share are expected to be in the range of \$9.82 to \$9.97 for the year and, excluding the gain on the sale of an administrative office building, adjusted diluted earnings per share are expected to be in the range of \$9.75 to \$9.90.

The guidance does not reflect potential future repurchases of the Company's shares.

The guidance and outlook forward-looking statements made in this press release are based on management's expectations as of the date of this press release and does not incorporate future unknown impacts, including from the spread of COVID-19. While most of the Company's retail locations are currently open; further resurgences in COVID-19, including from variants, could cause additional restrictions, including temporarily closing all or some of its retail locations again, result in lower consumer demand, and cause further disruption in its supply chain. The Company undertakes no duty to update or to continue to provide information with respect to any forward-looking statements or risk factors, whether as a result of new information or future events or circumstances or otherwise. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of risks and uncertainties, including those stated below.

### **Power of Three x2**

Our Power of Three x2 growth plan calls for a doubling of the business from 2021 net revenue of \$6.25 billion to \$12.5 billion by 2026. The key pillars of the plan are product innovation, guest experience, and market expansion and the growth strategy includes a plan to double men's, double direct to consumer, and quadruple international net revenue relative to 2021.

### **Conference Call Information**

A conference call to discuss second quarter results is scheduled for today, September 1, 2022, at 4:30 p.m. Eastern time. Those interested in participating in the call are invited to dial 1-800-319-4610 or 1-604-638-5340, if calling internationally, approximately 10 minutes prior to the start of the call. A live webcast of the conference call will be available online at: <https://corporate.lululemon.com/investors/news-and-events/events-and-presentations>. A replay will be made available online approximately two hours following the live call for a period of 30 days.



## **About lululemon athletica inc.**

lululemon athletica inc. (NASDAQ:LULU) is a technical athletic apparel, footwear, and accessories company for yoga, running, training, and most other activities, creating transformational products and experiences that build meaningful connections, unlocking greater possibility and wellbeing for all. Setting the bar in innovation of fabrics and functional designs, lululemon works with yogis and athletes in local communities around the world for continuous research and product feedback. For more information, visit [lululemon.com](http://lululemon.com).

## **Non-GAAP Financial Measures**

Constant dollar changes and adjusted financial results are non-GAAP financial measures. A constant dollar basis assumes the average foreign currency exchange rates for the period remained constant with the average foreign currency exchange rates for the same period of the prior year. The Company provides constant dollar changes in its results to help investors understand the underlying growth rate of net revenue excluding the impact of changes in foreign currency exchange rates.

Adjusted income from operations, operating margin, income tax expense, effective tax rates, net income, and diluted earnings per share exclude items related to the sale of an administrative office building and the MIRROR acquisition. The Company excludes the gain on disposal of assets and its income tax effect for the sale of an administrative office building in 2022. It excludes the transaction and integration costs related to the MIRROR acquisition and certain acquisition-related compensation costs, and the related income tax effects of these items in 2021.

The Company believes these adjusted financial measures are useful to investors as they provide supplemental information that enable evaluation of the underlying trend in its operating performance, and enable a more consistent comparison to its historical financial information. Further, due to the finite and discrete nature of these items, it does not consider them to be normal operating expenses that are necessary to operate the business. Management uses these adjusted financial measures and constant currency metrics internally when reviewing and assessing financial performance.

The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or with greater prominence to, the financial information prepared and presented in accordance with GAAP. For more information on these non-GAAP financial measures, please see the section captioned "Reconciliation of Non-GAAP Financial Measures" included in the accompanying financial tables, which includes more detail on the GAAP financial measure that is most directly comparable to each non-GAAP financial measure, and the related reconciliations between these financial measures.

## **Forward-Looking Statements:**

This press release includes estimates, projections, statements relating to the Company's business plans, objectives, and expected operating results that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. In many cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "outlook," "believes," "intends," "estimates," "predicts," "potential" or the negative of these terms or other comparable terminology. These forward-looking statements also include the Company's guidance and outlook statements. These statements are based on management's current expectations but they involve a number of risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of risks and uncertainties, which include, without limitation: the Company's ability to maintain the value and reputation of its brand; the current COVID-19 coronavirus pandemic and related government, private sector, and individual consumer responsive actions; its highly competitive market and increasing competition; increasing costs and decreasing selling prices; its ability to anticipate consumer preferences and successfully develop and introduce new, innovative and updated products; the acceptability of its products to guests; its ability to accurately forecast guest demand for its products; changes in consumer shopping preferences and shifts in distribution channels; its ability to expand in light of its limited operating experience and limited brand recognition in new international markets and new product categories; its ability to realize the potential benefits and synergies sought with the acquisition of MIRROR; its ability to manage its growth and the increased complexity of its business effectively; its ability to successfully open new store locations in a timely manner; seasonality; disruptions of its supply chain; its reliance on a relatively small number of vendors to supply and manufacture a significant portion of its products; suppliers or manufacturers not complying with its Vendor Code of Ethics or applicable laws; its ability to deliver its products to the market and to meet guest expectations if it has problems with its distribution system; increasing labor costs



and other factors associated with the production of its products in South Asia and South East Asia; its ability to safeguard against security breaches with respect to its technology systems; its compliance with privacy and data protection laws; any material disruption of its information systems; its ability to have technology-based systems function effectively and grow its e-commerce business globally; climate change, and related legislative and regulatory responses; increased scrutiny regarding its environmental, social, and governance, or sustainability responsibilities; an economic recession, depression, or downturn or economic uncertainty in its key markets; global economic and political conditions and global events such as health pandemics; its ability to source and sell its merchandise profitably or at all if new trade restrictions are imposed or existing trade restrictions become more burdensome; changes in tax laws or unanticipated tax liabilities; its ability to comply with trade and other regulations; fluctuations in foreign currency exchange rates; imitation by its competitors; its ability to protect its intellectual property rights; conflicting trademarks and patents and the prevention of sale of certain products; its exposure to various types of litigation; and other risks and uncertainties set out in filings made from time to time with the United States Securities and Exchange Commission and available at [www.sec.gov](http://www.sec.gov), including, without limitation, its most recent reports on Form 10-K and Form 10-Q. You are urged to consider these factors carefully in evaluating the forward-looking statements contained herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by these cautionary statements. The forward-looking statements made herein speak only as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances, except as may be required by law.

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**lululemon athletica inc.**

*Condensed Consolidated Statements of Operations*

*Unaudited; Expressed in thousands, except per share amounts*

|  | Second Quarter |              | First Two Quarters |              |
|--|----------------|--------------|--------------------|--------------|
|  | 2022           | 2021         | 2022               | 2021         |
| Net revenue                                  | \$ 1,868,328   | \$ 1,450,618 | \$ 3,481,791       | \$ 2,677,083 |
| Costs of goods sold                          | 812,852        | 607,932      | 1,555,922          | 1,134,083    |
| Gross profit                                 | 1,055,476      | 842,686      | 1,925,869          | 1,543,000    |
| <i>As a percent of net revenue</i>           | 56.5%          | 58.1%        | 55.3%              | 57.6%        |
| Selling, general and administrative expenses | 662,253        | 541,317      | 1,270,104          | 1,037,951    |
| <i>As a percent of net revenue</i>           | 35.4%          | 37.3%        | 36.5%              | 38.8%        |
| Amortization of intangible assets            | 2,195          | 2,195        | 4,390              | 4,390        |
| Acquisition-related expenses                 | —              | 8,143        | —                  | 15,807       |
| Gain on disposal of assets                   | (10,180)       | —            | (10,180)           | —            |
| Income from operations                       | 401,208        | 291,031      | 661,555            | 484,852      |
| <i>As a percent of net revenue</i>           | 21.5%          | 20.1%        | 19.0%              | 18.1%        |
| Other income (expense), net                  | 145            | 96           | 123                | 323          |
| Income before income tax expense             | 401,353        | 291,127      | 661,678            | 485,175      |
| Income tax expense                           | 111,832        | 83,053       | 182,159            | 132,145      |
| Net income                                   | \$ 289,521     | \$ 208,074   | \$ 479,519         | \$ 353,030   |
| Basic earnings per share                     | \$ 2.27        | \$ 1.60      | \$ 3.75            | \$ 2.71      |
| Diluted earnings per share                   | \$ 2.26        | \$ 1.59      | \$ 3.74            | \$ 2.70      |
| Basic weighted-average shares outstanding    | 127,619        | 130,007      | 127,848            | 130,187      |
| Diluted weighted-average shares outstanding  | 127,906        | 130,490      | 128,224            | 130,742      |



**lululemon athletica inc.**

*Condensed Consolidated Balance Sheets  
Unaudited; Expressed in thousands*

|  | July 31,<br>2022 | January 30,<br>2022 | August 1,<br>2021 |
|--|------------------|---------------------|-------------------|
| <b>ASSETS</b>                                      |                  |                     |                   |
| Current assets                                     |                  |                     |                   |
| Cash and cash equivalents                          | \$ 498,831       | \$ 1,259,871        | \$ 1,170,041      |
| Inventories  | 1,462,076        | 966,481             | 789,836           |
| Prepaid and receivable income taxes                | 166,438          | 118,928             | 117,807           |
| Other current assets                               | 259,749          | 269,573             | 197,623           |
| Total current assets                               | 2,387,094        | 2,614,853           | 2,275,307         |
| Property and equipment, net                        | 1,059,859        | 927,710             | 806,387           |
| Right-of-use lease assets                          | 867,901          | 803,543             | 729,621           |
| Goodwill and intangible assets, net                | 453,776          | 458,179             | 462,714           |
| Deferred income taxes and other non-current assets | 152,081          | 138,193             | 131,069           |
| Total assets                                       | \$ 4,920,711     | \$ 4,942,478        | \$ 4,405,098      |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>        |                  |                     |                   |
| Current liabilities                                |                  |                     |                   |
| Accounts payable                                   | \$ 259,927       | \$ 289,728          | \$ 203,546        |
| Accrued liabilities and other                      | 345,105          | 330,800             | 302,340           |
| Accrued compensation and related expenses          | 153,381          | 204,921             | 150,331           |
| Current lease liabilities                          | 196,259          | 188,996             | 150,087           |
| Current income taxes payable                       | 50,815           | 133,852             | 13,743            |
| Unredeemed gift card liability                     | 172,666          | 208,195             | 137,021           |
| Other current liabilities                          | 29,057           | 48,842              | 24,286            |
| Total current liabilities                          | 1,207,210        | 1,405,334           | 981,354           |
| Non-current lease liabilities                      | 757,865          | 692,056             | 644,734           |
| Non-current income taxes payable                   | 28,555           | 38,074              | 38,073            |
| Deferred income tax liability                      | 53,271           | 53,352              | 60,010            |
| Other non-current liabilities                      | 16,012           | 13,616              | 9,761             |
| Stockholders' equity                               | 2,857,798        | 2,740,046           | 2,671,166         |
| Total liabilities and stockholders' equity         | \$ 4,920,711     | \$ 4,942,478        | \$ 4,405,098      |



**lululemon athletica inc.**

*Condensed Consolidated Statements of Cash Flows*  
*Unaudited; Expressed in thousands*

|  | First Two Quarters |              |
|--|--------------------|--------------|
|  | 2022               | 2021         |
| Cash flows from operating activities   |                    |              |
| Net income   | \$ 479,519         | \$ 353,030   |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities | (625,137)          | 146,742      |
| Net cash provided by (used in) operating activities  | (145,618)          | 499,772      |
| Net cash used in investing activities  | (224,944)          | (201,493)    |
| Net cash used in financing activities  | (384,576)          | (290,767)    |
| Effect of foreign currency exchange rate changes on cash                                   | (5,902)            | 12,012       |
| Increase (decrease) in cash and cash equivalents   | (761,040)          | 19,524       |
| Cash and cash equivalents, beginning of period   | 1,259,871          | 1,150,517    |
| Cash and cash equivalents, end of period   | \$ 498,831         | \$ 1,170,041 |



**lululemon athletica inc.**

*Reconciliation of Non-GAAP Financial Measures*

*Unaudited; Expressed in thousands, except per share amounts*

*Constant dollar changes in net revenue, total comparable sales, comparable store sales, and direct to consumer net revenue*

The below changes show the change for the second quarter of 2022 compared to the second quarter of 2021.

|   | Net Revenue | Total Comparable Sales <sup>1,2</sup> | Comparable Store Sales <sup>2</sup> | Direct to Consumer Net Revenue |
|---|-------------|---------------------------------------|-------------------------------------|--------------------------------|
| Change  | 29 %        | 23 %                                  | 16 %                                | 30 %                           |
| Adjustments due to foreign currency exchange rate changes | 2           | 2                                     | 2                                   | 2                              |
| Change in constant dollars                                | 31 %        | 25 %                                  | 18 %                                | 32 %                           |

(1) Total comparable sales includes comparable store sales and direct to consumer net revenue.

(2) Comparable store sales reflects net revenue from company-operated stores that have been open for at least 12 full fiscal months, or open for at least 12 full fiscal months after being significantly expanded. Comparable store sales exclude sales from stores which have been temporarily relocated for renovations or have been temporarily closed.

*Adjusted financial measures*

The following tables reconcile adjusted financial measures with the most directly comparable measures calculated in accordance with GAAP. The 2022 adjustments relate to the gain on sale of an administrative office building and its related tax effects. The 2021 adjustments relate to the acquisition of MIRROR and its related tax effects. Please refer to Note 4. Gain on Disposal of Assets and Note 3. Acquisition-Related Expenses included in Item 1 of Part I of the Company's Report on Form 10-Q to be filed with the SEC on or about September 1, 2022 for further information on these adjustments.

|                             | Second Quarter 2022    |                  |                    |                    |            |                            |
|-----------------------------|------------------------|------------------|--------------------|--------------------|------------|----------------------------|
|                             | Income from Operations | Operating Margin | Income Tax Expense | Effective Tax Rate | Net Income | Diluted Earnings Per Share |
| GAAP results                | \$ 401,208             | 21.5 %           | \$ 111,832         | 27.9 %             | \$ 289,521 | \$ 2.26                    |
| Gain on disposal of assets  | (10,180)               | (0.6)            |                    |                    | (10,180)   | (0.07)                     |
| Tax effect of the above     |                        |                  | (1,661)            | 0.3                | 1,661      | 0.01                       |
| Adjusted results (non-GAAP) | \$ 391,028             | 20.9 %           | \$ 110,171         | 28.2 %             | \$ 281,002 | \$ 2.20                    |

|                             | First Two Quarters 2022 |                  |                    |                    |            |                            |
|-----------------------------|-------------------------|------------------|--------------------|--------------------|------------|----------------------------|
|                             | Income from Operations  | Operating Margin | Income Tax Expense | Effective Tax Rate | Net Income | Diluted Earnings Per Share |
| GAAP results                | \$ 661,555              | 19.0 %           | \$ 182,159         | 27.5 %             | \$ 479,519 | \$ 3.74                    |
| Gain on disposal of assets  | (10,180)                | (0.3)            |                    |                    | (10,180)   | (0.08)                     |
| Tax effect of the above     |                         |                  | (1,661)            | 0.2                | 1,661      | 0.01                       |
| Adjusted results (non-GAAP) | \$ 651,375              | 18.7 %           | \$ 180,498         | 27.7 %             | \$ 471,000 | \$ 3.67                    |



| Second Quarter 2021               |                        |                  |                    |                    |            |                            |
|-----------------------------------|------------------------|------------------|--------------------|--------------------|------------|----------------------------|
|                                   | Income from Operations | Operating Margin | Income Tax Expense | Effective Tax Rate | Net Income | Diluted Earnings Per Share |
| GAAP results                      | \$ 291,031             | 20.1 %           | \$ 83,053          | 28.5 %             | \$ 208,074 | \$ 1.59                    |
| Transaction and integration costs | 1,035                  | 0.1              |                    |                    | 1,035      | 0.01                       |
| Acquisition-related compensation  | 7,108                  | 0.4              |                    |                    | 7,108      | 0.05                       |
| Tax effect of the above           |                        |                  | 434                | (0.6)              | (434)      | —                          |
| Adjusted results (non-GAAP)       | \$ 299,174             | 20.6 %           | \$ 83,487          | 27.9 %             | \$ 215,783 | \$ 1.65                    |

| First Two Quarters 2021           |                        |                  |                    |                    |            |                            |
|-----------------------------------|------------------------|------------------|--------------------|--------------------|------------|----------------------------|
|                                   | Income from Operations | Operating Margin | Income Tax Expense | Effective Tax Rate | Net Income | Diluted Earnings Per Share |
| GAAP results                      | \$ 484,852             | 18.1 %           | \$ 132,145         | 27.2 %             | \$ 353,030 | \$ 2.70                    |
| Transaction and integration costs | 1,531                  | 0.1              |                    |                    | 1,531      | 0.01                       |
| Acquisition-related compensation  | 14,276                 | 0.5              |                    |                    | 14,276     | 0.11                       |
| Tax effect of the above           |                        |                  | 806                | (0.7)              | (806)      | (0.01)                     |
| Adjusted results (non-GAAP)       | \$ 500,659             | 18.7 %           | \$ 132,951         | 26.5 %             | \$ 368,031 | \$ 2.81                    |

*Expected adjusted earnings per share*

|   | Fiscal 2022      |
|---|------------------|
| Expected diluted earnings per share range             | \$9.82 to \$9.97 |
| Gain on disposal of assets, net of tax                | (0.07)           |
| Expected adjusted earnings per share range (non-GAAP) | \$9.75 to \$9.90 |



**lululemon athletica inc.**

*Company-operated Store Count and Square Footage<sup>1</sup>  
Square Footage Expressed in Thousands*

|                             | Number of Stores Open at the Beginning of the Quarter | Number of Stores Opened During the Quarter | Number of Stores Closed During the Quarter | Number of Stores Open at the End of the Quarter |
|-----------------------------|---|--|--|---|
| <sup>3rd</sup> Quarter 2021 | 534   | 19   | 1  | 552   |
| <sup>4th</sup> Quarter 2021 | 552   | 23   | 1  | 574   |
| <sup>1st</sup> Quarter 2022 | 574   | 6  | 1  | 579   |
| <sup>2nd</sup> Quarter 2022 | 579   | 22   | 1  | 600   |

|                             | Total Gross Square Feet at the Beginning of the Quarter | Gross Square Feet Added During the Quarter <sup>2</sup> | Gross Square Feet Lost During the Quarter <sup>2</sup> | Total Gross Square Feet at the End of the Quarter |
|-----------------------------|---|---|--|---|
| <sup>3rd</sup> Quarter 2021 | 1,905   | 99  | 2  | 2,002   |
| <sup>4th</sup> Quarter 2021 | 2,002   | 126   | 3  | 2,125   |
| <sup>1st</sup> Quarter 2022 | 2,125   | 32  | 2  | 2,155   |
| <sup>2nd</sup> Quarter 2022 | 2,155   | 105   | 2  | 2,258   |

<sup>1</sup>Company-operated store count and square footage summary excludes retail locations operated by third parties under license and supply arrangements.

<sup>2</sup>Gross square feet added/lost during the quarter includes net square foot additions for company-operated stores which have been renovated or relocated in the quarter.