
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

September 4, 2025
Date of Report (Date of earliest event reported)



lululemon athletica inc.

(Exact name of registrant as specified in its charter)

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

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.

Item 2.02. Results of Operations and Financial Condition.

On September 4, 2025, lululemon athletica inc. (the "Company") issued a press release announcing its financial results for the second quarter ended August 3, 2025 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 4, 2025 to discuss its financial results.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued on September 4, 2025.
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 4, 2025

/s/ MEGHAN FRANK

Meghan Frank

Chief Financial Officer



LULULEMON ATHLETICA INC. ANNOUNCES SECOND QUARTER FISCAL 2025 RESULTS

Revenue increased 7% to \$2.5 billion, or increased 6% on a constant dollar basis

Comparable sales increased 1%

Diluted EPS of \$3.10

Vancouver, British Columbia – September 4, 2025 – lululemon athletica inc. (NASDAQ:LULU) today announced financial results for the second quarter of fiscal 2025, which ended on August 3, 2025.

Calvin McDonald, Chief Executive Officer, stated: "While we continued to see positive momentum overall in our international regions in the second quarter, we are disappointed with our U.S. business results and aspects of our product execution. We have closely assessed the drivers of our underperformance and are continuing to take the necessary actions to strengthen our merchandise mix and accelerate our business. We feel confident in the opportunity ahead and plans we have in place to drive long-term growth."

For the second quarter of 2025, compared to the second quarter of 2024:

- Net revenue increased 7% to \$2.5 billion, or increased 6% on a constant dollar basis.
 - Americas net revenue increased 1%.
 - International net revenue increased 22%, or 20% on a constant dollar basis.
- Comparable sales increased 1%.
 - Americas comparable sales decreased 4%, or 3% on a constant dollar basis.
 - International comparable sales increased 15%, or 13% on a constant dollar basis.
- Gross profit increased 5% to \$1.5 billion and gross margin decreased 110 basis points to 58.5%.
- Income from operations decreased 3% to \$523.8 million and operating margin decreased 210 basis points to 20.7%.
- The effective income tax rate for the second quarter of 2025 was 30.5% compared to 29.6% for the second quarter of 2024.
- Diluted earnings per share were \$3.10 compared to \$3.15 in the second quarter of 2024.
- The Company repurchased 1.1 million of its shares for a cost of \$278.5 million.
- The Company added 14 net new company-operated stores during the second quarter, ending with 784 stores.

Meghan Frank, Chief Financial Officer, stated: "In the second quarter, we exceeded expectations on EPS, but revenue fell short of our guidance driven predominantly by our U.S. business. We are also navigating industry-wide challenges, including higher tariff rates. In light of these dynamics, we are revising our full year outlook. As we begin the back half of the year, our brand and balance sheet remain strong, and we will continue to exercise financial discipline and strategically invest in our growth potential."

Balance Sheet Highlights

The Company ended the second quarter of 2025 with \$1.2 billion in cash and cash equivalents and the capacity under its committed revolving credit facility was \$393.2 million.

Inventories at the end of the second quarter of 2025 increased 21% to \$1.7 billion compared to \$1.4 billion at the end of the second quarter of 2024. On a unit basis, inventories increased 13%.



2025 Outlook

For the third quarter of 2025, the Company expects net revenue to be in the range of \$2.470 billion to \$2.500 billion, representing growth of 3% to 4%. Diluted earnings per share are expected to be in the range of \$2.18 to \$2.23 for the quarter. This assumes a tax rate of approximately 30.5%.

For 2025, the Company now expects net revenue to be in the range of \$10.850 billion to \$11.000 billion, representing growth of 2% to 4%, or 4% to 6% excluding the 53rd week of 2024. Diluted earnings per share are now expected to be in the range of \$12.77 to \$12.97 for the year. This assumes a tax rate of approximately 30%.

The guidance for 2025 includes an estimated reduction in gross profit of approximately \$240 million, net of currently anticipated mitigation efforts, including vendor savings, and pricing actions, reflecting our current assumptions about higher levels of tariffs on imports into the United States and the removal of the de minimis exemption. Actual results could differ materially from these estimates if tariff rates, sourcing savings, consumer demand, or the timing of regulatory changes vary from our current assumptions, or if our mitigation initiatives are less effective than currently expected.

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 do not incorporate future unknown impacts, including tariffs and macroeconomic trends. 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.

Conference Call Information

A conference call to discuss second quarter results is scheduled for today, September 4, 2025, at 4:30 p.m. Eastern time. Those interested in participating in the call are invited to dial 1-833-752-3550 or 1-647-846-8290, 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.

Shifted Calendar for Comparable Sales

Due to the 53rd week in 2024, comparable sales are calculated on a one-week shifted basis such that the 13 weeks ended August 3, 2025 is compared to the 13 weeks ended August 4, 2024 rather than July 28, 2024.

Non-GAAP Financial Measures

We report certain financial metrics on a constant dollar basis, which is a non-GAAP financial measure.

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. Management uses constant currency metrics internally when reviewing and assessing financial performance.

The Company's fiscal year ends on the Sunday closest to January 31st of the following year, typically resulting in a 52-week year, but occasionally giving rise to an additional week, resulting in a 53-week year. Fiscal 2024 was a 53-week year while 2025 will be a 52-week year. The expected net revenue increase excluding the 53rd week excludes the net revenue for the 53rd week of 2024. This enables an evaluation of the expected year-over-year increase in net revenue based on 52 weeks in each year.

These non-GAAP financial measures are provided in addition to, and not a substitute for, the corresponding financial measures calculated 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. The Company's non-GAAP financial measures may be calculated differently from, and therefore may not be directly comparable to, similarly titled measures reported by other companies.

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; its highly competitive market and increasing competition; its ability to anticipate consumer preferences and successfully develop and introduce new, innovative and differentiated products; the acceptability of its products to guests; increasing costs and decreasing selling prices; its ability to accurately forecast guest demand for its products; 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 manage its growth and the increased complexity of its business effectively; changes in consumer shopping preferences and shifts in distribution channels; its leasing of retail and distribution space; its ability to attract, manage, and retain highly qualified individuals; seasonality; 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; changes to U.S. tariff and customs policy, including the elimination of the de minimis exemption; macroeconomic volatility, inflationary pressures, and shifts in consumer sentiment; global political and economic instability and related trade actions; changes to tariffs, customs rules, and other trade restrictions; changes in tax laws or unanticipated tax liabilities; its ability to comply with trade and other regulations; fluctuations in foreign currency exchange rates; global or regional health events such as the COVID-19 pandemic and related government, private sector, and individual consumer responsive actions; 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; fluctuating costs of raw materials; 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; imitation by its competitors; its ability to protect its intellectual property rights; conflicting trademarks and patents and the prevention of sale of certain products; climate change and related pressures; heightened scrutiny and legal risks from competing pressures regarding ESG; 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, 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.

Contacts:

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The fiscal year ending February 1, 2026 is referred to as "2025" and the fiscal year ended February 2, 2025 is referred to as "2024".

Condensed Consolidated Statements of Operations

Unaudited; Expressed in thousands, except per share amounts

	Second Quarter		First Two Quarters	
	2025	2024	2025	2024
Net revenue	\$ 2,525,219	\$ 2,371,078	\$ 4,895,879	\$ 4,579,969
Costs of goods sold	1,048,017	958,893	2,035,551	1,892,716
Gross profit	1,477,202	1,412,185	2,860,328	2,687,253
<i>As a percentage of net revenue</i>	58.5%	59.6%	58.4%	58.7%
Selling, general and administrative expenses	951,658	871,959	1,894,529	1,714,385
<i>As a percentage of net revenue</i>	37.7%	36.8%	38.7%	37.4%
Amortization of intangible assets	1,730	—	3,360	—
Income from operations	523,814	540,226	962,439	972,868
<i>As a percentage of net revenue</i>	20.7%	22.8%	19.7%	21.2%
Other income (expense), net	9,737	17,994	21,523	41,277
Income before income tax expense	533,551	558,220	983,962	1,014,145
Income tax expense	162,646	165,298	298,485	299,802
Net income	\$ 370,905	\$ 392,922	\$ 685,477	\$ 714,343
Basic earnings per share	\$ 3.10	\$ 3.15	\$ 5.71	\$ 5.70
Diluted earnings per share	\$ 3.10	\$ 3.15	\$ 5.70	\$ 5.69
Basic weighted-average shares outstanding	119,600	124,721	120,116	125,358
Diluted weighted-average shares outstanding	119,680	124,857	120,262	125,600



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Condensed Consolidated Balance Sheets

Unaudited; Expressed in thousands

	August 3, 2025	February 2, 2025	July 28, 2024
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,155,794	\$ 1,984,336	\$ 1,610,112
Inventories	1,722,570	1,442,081	1,429,043
Prepaid and receivable income taxes	323,227	182,253	210,969
Other current assets	327,137	371,632	321,620
Total current assets	3,528,728	3,980,302	3,571,744
Property and equipment, net	1,917,361	1,780,617	1,614,893
Right-of-use lease assets	1,605,009	1,416,256	1,302,947
Goodwill and intangible assets, net	182,215	171,191	23,925
Deferred income taxes and other non-current assets	290,126	254,926	230,626
Total assets	\$ 7,523,439	\$ 7,603,292	\$ 6,744,135
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable	\$ 373,333	\$ 271,406	\$ 317,348
Accrued liabilities and other	423,933	559,463	396,423
Accrued compensation and related expenses	148,895	204,543	174,702
Current lease liabilities	297,919	275,154	278,067
Current income taxes payable	26,746	183,126	19,231
Unredeemed gift card liability	252,334	308,352	250,754
Other current liabilities	34,186	37,586	32,126
Total current liabilities	1,557,346	1,839,630	1,468,651
Non-current lease liabilities	1,464,799	1,300,637	1,180,823
Deferred income tax liability	62,400	98,188	28,876
Other non-current liabilities	51,615	40,790	34,140
Stockholders' equity	4,387,279	4,324,047	4,031,645
Total liabilities and stockholders' equity	\$ 7,523,439	\$ 7,603,292	\$ 6,744,135



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Condensed Consolidated Statements of Cash Flows
Unaudited; Expressed in thousands

	First Two Quarters	
	2025	2024
Cash flows from operating activities		
Net income	\$ 685,477	\$ 714,343
Adjustments to reconcile net income to net cash provided by operating activities	(475,755)	(143,679)
Net cash provided by operating activities	209,722	570,664
Net cash used in investing activities	(319,960)	(266,625)
Net cash used in financing activities	(744,823)	(916,543)
Effect of foreign currency exchange rate changes on cash and cash equivalents	26,519	(21,355)
Decrease in cash and cash equivalents	(828,542)	(633,859)
Cash and cash equivalents, beginning of period	1,984,336	2,243,971
Cash and cash equivalents, end of period	\$ 1,155,794	\$ 1,610,112



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*Reconciliation of Non-GAAP Financial Measures
Unaudited*

Constant dollar changes

The below changes show the change compared to the corresponding period in the prior year. Due to the 53rd week in 2024, the below changes in comparable sales are calculated on a one-week shifted basis such that the 13 weeks ended August 3, 2025 is compared to the 13 weeks ended August 4, 2024 rather than July 28, 2024.

Net Revenue	Second Quarter 2025		
	Change	Foreign exchange	Change in constant dollars
United States	— %	— %	— %
Canada	1	—	1
Mexico ⁽¹⁾	n/a	n/a	n/a
Americas	1	—	1
China Mainland	25	(1)	24
Rest of World	19	(4)	15
Total international	22	(2)	20
Total	7 %	(1)%	6 %

Comparable Sales ⁽²⁾	Second Quarter 2025		
	Change	Foreign exchange	Change in constant dollars
Americas	(4)%	1 %	(3)%
China Mainland	17	(1)	16
Rest of World	12	(3)	9
Total international	15	(2)	13
Total	1 %	— %	1 %

⁽¹⁾ On September 10, 2024, the Company acquired the lululemon branded retail locations and operations run by a third party in Mexico. Wholesale sales to the third party by lululemon athletica canada inc. prior to the acquisition are disclosed as net revenue recognized within Canada.

⁽²⁾ Comparable sales includes comparable company-operated store and e-commerce net revenue. Comparable company-operated stores have been open for at least 12 full fiscal months, or open for at least 12 full fiscal months after being significantly expanded. Comparable company-operated stores exclude stores which have been temporarily relocated for renovations or have been temporarily closed. Company-operated stores acquired as a result of the acquisition of the Mexico operations will be considered comparable beginning October 2025, after 12 full fiscal months of sales from the date of acquisition.



Expected net revenue increase excluding the 53rd week

The Company's fiscal year ends on the Sunday closest to January 31st of the following year, typically resulting in a 52-week year, but occasionally giving rise to an additional week, resulting in a 53-week year. Fiscal 2024 was a 53-week year while 2025 will be a 52-week year.

	Fiscal 2025
Expected net revenue increase	2% to 4%
Impact of 53rd week	2%
Expected net revenue increase excluding the 53rd week (non-GAAP)	4% to 6%



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Company-operated Store Count and Square Footage⁽¹⁾

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
3 rd Quarter 2024	721	28	—	749
4 th Quarter 2024	749	21	3	767
1 st Quarter 2025	767	5	2	770
2 nd Quarter 2025	770	15	1	784

	Total Gross Square Feet at the Beginning of the Quarter	Gross Square Feet Added During the Quarter ⁽²⁾	Gross Square Feet Lost During the Quarter ⁽²⁾	Total Gross Square Feet at the End of the Quarter
3 rd Quarter 2024	3,075	156	—	3,231
4 th Quarter 2024	3,231	153	12	3,372
1 st Quarter 2025	3,372	50	7	3,415
2 nd Quarter 2025	3,415	99	3	3,511

⁽¹⁾ Company-operated store count and square footage summary excludes retail locations operated by third parties under license and supply arrangements.

⁽²⁾ 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.