

lululemon athletica inc.

3Q25 Review: CEO Steps Down as NA Remains Under Pressure

LULU's 3Q25 results beat consensus on sales, GM, and OpEx, driving EPS of \$2.59 versus Street at \$2.22. While 3Q25 benefited from strong international growth and better-than-feared margins, 4Q25 EPS guidance midpoint of \$4.71 missed versus consensus of \$4.97 as margin pressure is expected to worsen.

CEO Steps Down as NA Remains Under Pressure. With the announcement that Calvin McDonald will step down as CEO and a search for his replacement is underway, we believe headwinds will continue for some time. LULU's U.S. business remains negative comping and under pressure. Product innovation and positioning are in the process of being redirected and competition continues to intensify. We see 2026 as an uncertain year with continued market share loss in the U.S. and margin pressure. LULU's 3Q25 results beat across the board, with sales upside driven by strong China comp sales (up +25% on a constant currency basis) and margin upside supported by better-than-feared: 1) tariff impact, and 2) SG&A deleverage. 4Q25 EPS guidance midpoint of \$4.71 was below consensus of \$4.97 as margin compression is expected to worsen, with guidance calling for operating margins to decline 680bps during the quarter. We view the guidance as a conservative likely setting up for another margin beat in 4Q25. However, it is FY26 margins and sales that are more concerning as pressure stems from a number of headwinds that prevent us from becoming more constructive on LULU shares. These headwinds include: 1) outsized tariff impacts from the repeal of the de minimis exemption, including potential changes to the distribution network; 2) negative comp sales in the Americas mostly due to U.S. challenges; 3) deeper use of promotions; 4) higher spending on foundational investments; and 5) share loss in performance apparel due to consumers trading down. We remain on the sidelines, balancing our cautious view against: 1) still-strong international growth; 2) maintaining market share in premium athletic apparel; and 3) potential for 4Q25 sales upside driven by "buying the comp" on deeper promos, AmEx partnership, and conservative guidance. Post 3Q25 results, on 12/11/25, LULU shares traded +10.7% vs. S&P500 flat in after hours trading.

CEO Calvin McDonald to step down. LULU announced that Calvin McDonald will step down as CEO and board member effective January 31, 2026. He will serve as senior advisor through March 31, 2026, while CFO Meghan Frank and Chief Commercial Officer André Maestrini will act as interim co-CEOs during the transition. Board Chair Marti Morfitt becomes Executive Chair, effective immediately, and the board has already begun a comprehensive search for the next CEO, supported by an executive search firm.

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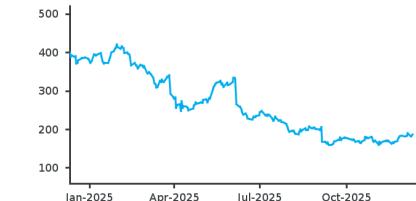
Please see analyst certifications and important disclosures beginning on page 16.

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LULU	EQUAL WEIGHT
	Unchanged
U.S. Specialty Retail, Apparel & Footwear	NEUTRAL
	Unchanged
Price Target	USD 189.00
	raised 5% from USD 180.00
Price (11-Dec-25)	USD 187.01
Potential Upside/Downside	+1.1%
Source: Bloomberg, Barclays Research	

Market Cap (USD mn)	21937
Shares Outstanding (mn)	117.31
Free Float (%)	94.20
52 Wk Avg Daily Volume (mn)	3.3
Dividend Yield (%)	N/A
Return on Equity TTM (%)	42.42
Current BVPS (USD)	36.88
Source: Bloomberg	

Price Performance	Exchange-Nasdaq
52 Week range	USD 423.32-159.25



Source: IDC
[Link to Barclays Live for interactive charting](#)

U.S. Specialty Retail, Apparel & Footwear

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Tariff Exposure Update. 3Q25 GM decreased 290bps, driven primarily by tariffs, but also including 90bps of increased markdown pressure. Looking ahead, tariff-related headwinds are expected to weigh on 4Q25 GM by about 410bps, contributing to total GM guidance down 580bps. FY26 estimated tariff pressure of \$320mn was not updated from the prior quarter's commentary. Tariff mitigation efforts continue to include strategic pricing actions, vendor negotiations, DC network efficiency, and enterprise wide savings initiatives.

Quarter in review. 3Q25 EPS of \$2.59 beat consensus of \$2.22 as GM of 55.6% beat consensus of 54.4%, although it declined 290bps y/y driven by tariff impacts and higher markdowns. SG&A rate of 38.6% beat consensus of 39.5%, driven by top line leverage and 'prudent' expense management. Net revenue of \$2.57bn beat consensus of \$2.48bn. By region and on a comparable growth constant currency (cc) basis, Mainland China increased +25% y/y, Rest of World increased +9%, while the Americas declined -5%. The company raised guidance for FY25, seeing EPS in the range of \$12.92 to \$13.02 (prior guidance \$12.77 to \$12.97 and vs. consensus \$12.89). The FY25 guidance incorporates: net sales of \$10.962bn to \$11.047bn (from prior guidance \$10.85bn to \$11.00bn and vs. consensus is \$10.96bn); gross margin of ~56.5% (prior guidance ~56.2% and vs. consensus 56.2%); operating margin of ~19.8% (unchanged from prior guidance and vs. consensus ~19.7%); and capex expected to be near the low end of \$700mn-\$720mn. Management also provided guidance for 4Q25, seeing EPS in the range of \$4.66 to \$4.76 (midpoint ~5% below consensus \$4.97). The guidance incorporates: net sales of \$3.500bn to \$3.585bn (consensus \$3.585bn); gross margin of ~54.6% (consensus 54.7%); and operating margin of ~22.1% (consensus 23.2%).

Inventory. Based on our proprietary inventory analysis, LULU has posted three consecutive quarters of negative sales-to-inventory growth. In FY3Q25 the Inventory Management Spread ("IM Spread") was (812) basis points and improved from (1514) basis points in the prior quarter. LULU's Gross Margin Return on Inventory ("GMROI") has worsened for three consecutive quarters, and its Operating Margin Return on Inventory ("OMROI") has worsened for three consecutive quarters.

Adjusting estimates, raising PT to \$189 from \$180. Our FY25, FY26, and FY27 adj. EPS estimates are \$13.04, \$12.34, and \$13.50 (from \$12.90, \$12.75, and \$13.81), respectively, as we flow through the 3Q25 beat, while lowering our sales assumptions assumptions to reflect continued challenges in the U.S. market, along with incremental SG&A deleverage. Our new PT of \$189 (from \$180) is based on an NTM P/E multiple of 14x (from 13x) applied to our CY27E adj. EPS of \$13.50 (from \$13.81). We raise our multiple one turn due to the leadership change, identified product "fixes" to impact next year, expectations of cleaner inventory in FY26, and lowered consensus expectations.

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LULU: Quarterly and Annual EPS (USD)

FY Jan	2024	2025			2026			Change y/y	
	Actual	Old	New	Cons	Old	New	Cons	2025	2026
Q1	2.54A	2.60A	2.60A	2.60A	2.14E	1.88E	2.20E	2%	-28%
Q2	3.15A	3.10A	3.10A	3.10A	2.83E	2.55E	2.78E	-2%	-18%
Q3	2.87A	2.21E	2.59A	2.22E	2.32E	2.53E	2.29E	-10%	-2%
Q4	6.14A	4.99E	4.76E	4.97E	5.47E	5.38E	5.28E	-22%	13%
Year	14.64A	12.90E	13.04E	12.89E	12.75E	12.34E	12.84E	-11%	-5%
P/E	12.8		14.3			15.2			

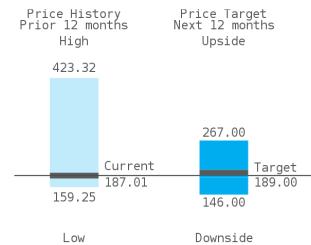
Consensus numbers are from Bloomberg received on 11-Dec-2025; 13:50 GMT

Source: Barclays Research

U.S. Specialty Retail, Apparel & Footwear						NEUTRAL
Lululemon Athletica Inc. (LULU)						EQUAL WEIGHT
Income statement (\$mn)	2024A	2025E	2026E	2027E	CAGR	Price (11-Dec-2025) USD 187.01
Revenue	10,588	11,051	11,564	12,212	4.9%	Price Target USD 189.00
EBITDA (adj)	2,952	2,688	2,594	2,813	-1.6%	Why EQUAL WEIGHT?
EBIT (adj)	2,506	2,197	2,066	2,264	-3.3%	Our rating is based on: 1) positive comps in both brick-and-mortar and E-commerce channels, 2) controlled inventory levels, 3) strong brand equity, and 4) growth drivers in men's, E-commerce, and international offset by 1) slowing comps in both channels, 2) competitive pressures increasing, and 3) limited margin expansion opportunities.
Pre-tax income (adj)	2,576	2,232	2,090	2,287	-3.9%	
Net income (adj)	1,815	1,557	1,463	1,601	-4.1%	
EPS (adj) (\$)	14.64	13.04	12.34	13.50	-2.7%	
Diluted shares (mn)	124	119	119	119	-1.5%	
DPS (\$)	0.00	0.00	0.00	0.00	N/A	
Margin and return data	2024A	2025E	2026E	2027E	Average	
EBITDA (adj) margin (%)	27.9	24.3	22.4	23.0	24.4	
EBIT (adj) margin (%)	23.7	19.9	17.9	18.5	20.0	
Pre-tax (adj) margin (%)	24.3	20.2	18.1	18.7	20.3	
Net (adj) margin (%)	17.1	14.1	12.7	13.1	14.2	
ROIC (%)	47.0	32.1	27.3	27.6	33.5	
ROA (%)	25.7	20.0	16.1	15.0	19.2	
ROE (%)	43.8	34.5	26.0	22.3	31.6	
Balance sheet and cash flow (\$mn)	2024A	2025E	2026E	2027E	CAGR	
Tangible fixed assets	3,197	3,711	4,108	4,536	12.4%	
Intangible fixed assets	171	183	183	183	2.2%	
Cash and equivalents	1,984	1,707	2,786	3,906	25.3%	
Total assets	7,603	8,292	9,783	11,432	14.6%	
Short and long-term debt	1,576	1,763	1,763	1,763	3.8%	
Other long-term liabilities	139	166	166	166	6.0%	
Total liabilities	3,279	3,416	3,444	3,492	2.1%	
Net debt/(funds)	-409	56	-1,023	-2,143	N/A	
Shareholders' equity	4,324	4,876	6,339	7,940	22.5%	
Change in working capital	-289	156	1,066	1,173	N/A	
Cash flow from operations	2,273	1,609	2,004	2,098	-2.6%	
Capital expenditure	-689	-785	-925	-977	N/A	
Free cash flow	1,583	824	1,079	1,121	-10.9%	
Valuation and leverage metrics	2024A	2025E	2026E	2027E	Average	
P/E (adj) (x)	12.8	14.3	15.2	13.8	14.0	
EV/sales (x)	2.1	2.0	1.8	1.6	1.9	
EV/EBITDA (adj) (x)	7.4	8.3	8.2	7.1	7.7	
FCF yield (%)	7.3	3.7	5.1	5.6	5.4	
P/BV (x)	5.4	4.6	3.5	2.8	4.1	
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	
Total debt/capital (%)	20.7	21.3	18.0	15.4	18.9	
Selected operating metrics	2024A	2025E	2026E	2027E	Average	
Sales growth (%)	10.1	4.4	4.6	5.6	6.2	
Same store sales growth (%)	4.0	1.0	1.1	3.0	2.3	
Number of stores	767	813	858	898	834	
Square footage growth (%)	14.4	10.7	8.9	7.8	10.4	
Inventory growth (%)	9.0	13.4	0.6	5.7	7.2	
Ending square footage - Gross (k)	3	4	4	4	4	

Note: FY End Jan

Source: Company data, Bloomberg, Barclays Research



Summary Results

FIGURE 1. Retail Earnings Quality Score (in \$ millions, except per share data)

3Q25	Barclays	Consensus	LY	Actual	Act vs Barclays	Act vs Cons	Act vs. LY	REQ Score	REQ Score Max Points
Sales (\$)	\$2,495.7	\$2,483.8	\$2,396.7	\$2,565.9	\$70.2	\$82.2	\$169.3	1	1
Comp (%)	-1.0%	0.7%	3.0%	2.0%	3.0%	1.3%	-1.0%	2	2
Gross Margin (%)	54.4%	54.4%	58.5%	55.6%	1.2%	1.2%	-2.9%	2	2
Operating Expense (%)	39.5%	39.5%	38.0%	38.6%	-0.9%	-1.0%	0.6%	1	1
EBIT (\$)	\$371.2	\$368.3	\$490.7	\$435.9	\$64.7	\$67.6	(\$54.8)	NA	NA
Operating Margin (%)	14.9%	14.8%	20.5%	17.0%	2.1%	2.2%	-3.5%	NA	NA
Tax Rate (%)	30.5%	NA	30.2%	30.5%	0.0%	NA	NA	NA	NA
FD Shares (M)	119.7	NA	122.8	118.6	-1.1	NA	NA	1	1
EPS (\$)	\$2.21	\$2.22	\$2.87	\$2.59	\$0.38	\$0.37	-\$0.28	1	1
Positive IM Spread	NA	NA	NA	NA	NA	NA	NA	0	1
Increasing OMROI	NA	NA	NA	NA	NA	NA	NA	0	1
RETAIL EARNINGS QUALITY SCORE								8	10

Source: Company data, Bloomberg consensus, Barclays Research estimates

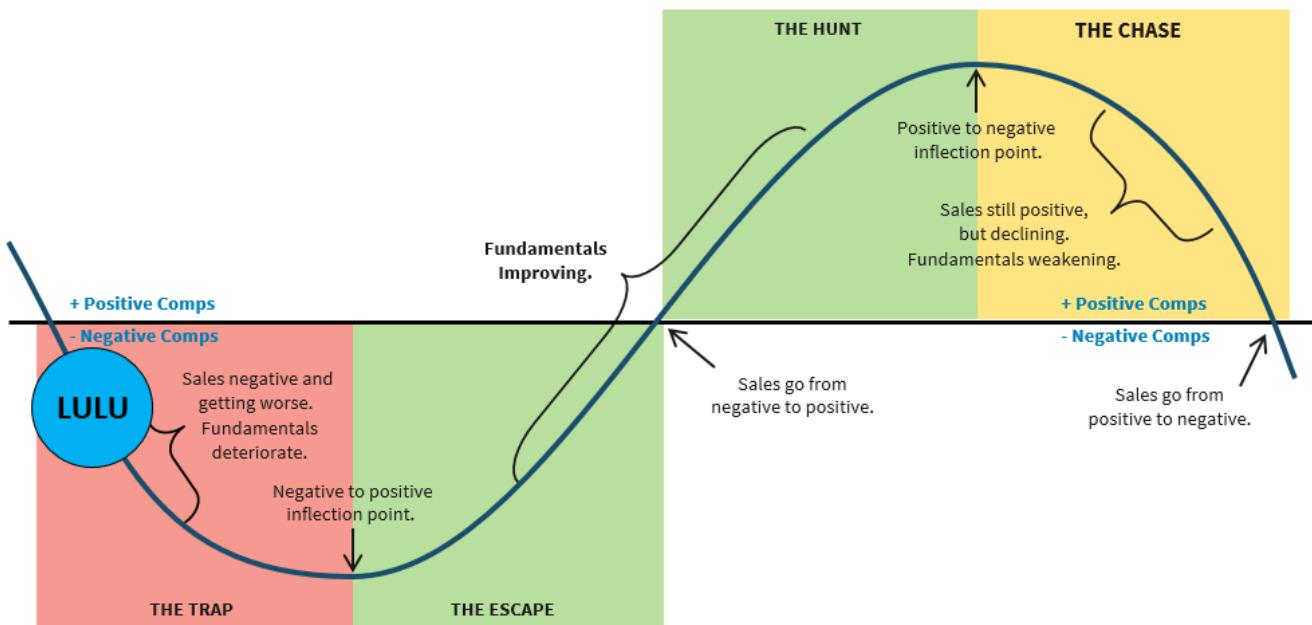
Proprietary PRISM Curve: LULU in the TRAP Phase

From a fundamental perspective, we attempt to use our proprietary PRISM cycle as a leading indicator of potential sales inflection (i.e., either from positive to negative or negative to positive). Our PRISM Curve attempts to look for fundamental changes in the business model of a company, driven by proactive management decisions to stabilize margins (e.g., purge inventory, cut costs, share best practices, invest in product and brand). [Figure 2](#) and [Figure 3](#) below depict our model graphically and identify where we would theoretically expect to see sales and margin changes along the business model curve.

The TRAP Phase

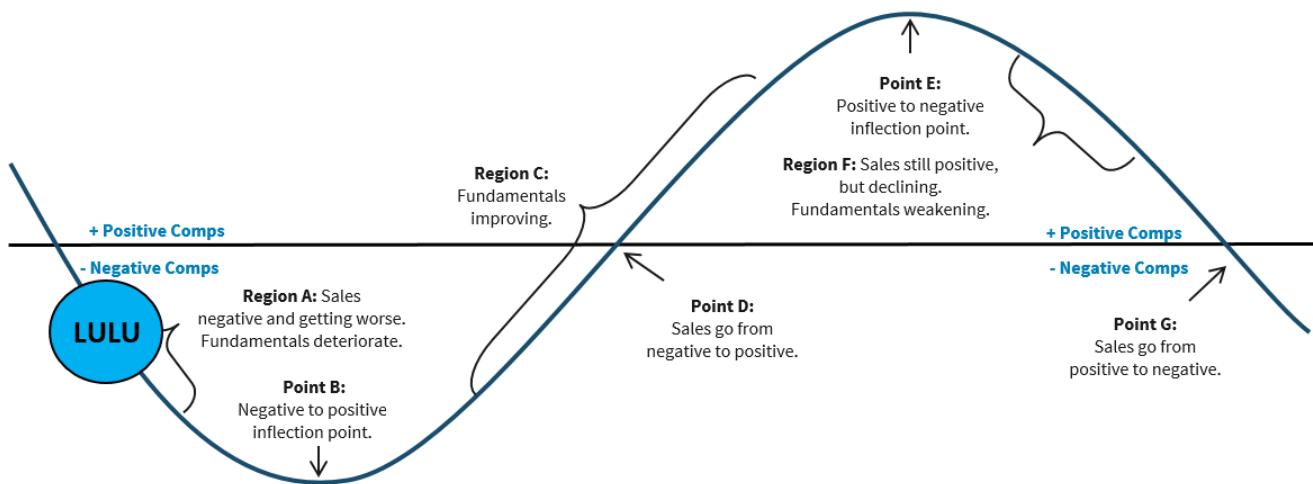
While there are four distinct phases of our PRISM Curve as per the graphics below, we believe LULU has just entered the “TRAP” phase, where fundamentals are deteriorating as competition in all categories remains stiff and pricing power is fleeting for its core franchises. As market share erodes, the lack of sales is causing operating deleverage. During the TRAP phase, management’s strategy is on the defensive – meaning actions are being taken to change business trends, but the issues have not yet stabilized. Typically, the company has been leading the competitive playing field but above-average profits and growth attract new entrants, creating a more challenging competitive backdrop.

FIGURE 2. Phases of PRISM Curve Fundamental Analysis: LULU in the TRAP Phase



Source: Barclays Research

FIGURE 3. PRISM Curve Fundamental Analysis: LULU in the TRAP Phase



Source: Barclays Research

LULU 3Q25 Promo Scores

LULU: EW (Deeper, Promo Score 0/100): LULU recorded a Promo Score of 0/100 in FY3Q25 unchanged from its FY2Q25 score. Recall, we measure the promo levels in the "We Made Too Much" (WMTM) clearance section, and note that during FY3Q25 this section saw a notable increase in depth and frequency for the duration of the quarter. Average WMTM units increased +66% y/y in 3Q25 from +44% in 2Q25. LULU has already guided for GM pressure and our checks show it drove sales and conversion. The continued activity within its WMTM section raises questions about inventory management and full-price sell-through, particularly as the brand navigates challenges in its U.S. stores amidst increasing competition. We note a new American Express platinum promotion beginning 9/18/25 for LULU may provide a lift to comps in the near term.

FIGURE 4. LULU Promotional Analysis

3Q25	lululemon athletica
8/11/2025	Deeper
8/18/2025	Deeper
8/25/2025	Deeper
9/1/2025	Deeper
9/8/2025	Deeper
9/15/2025	Deeper
9/22/2025	Deeper
9/29/2025	Deeper
10/6/2025	Deeper
10/13/2025	Deeper
10/20/2025	Deeper
10/27/2025	Deeper
11/3/2025	Deeper

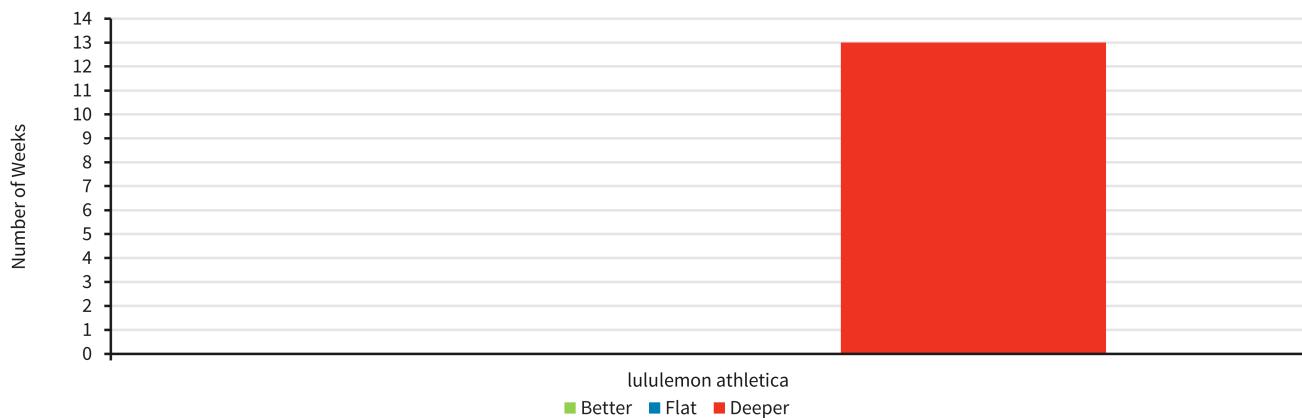
Fiscal Year End January
Source: Barclays Research

FIGURE 5. LULU Totals & Quarter Rating

Totals & 3Q25 Rating	
Ratings	lululemon athletica (weeks)
Better	0
Flat	0
Deeper	13
3Q25 Rating:	Deeper

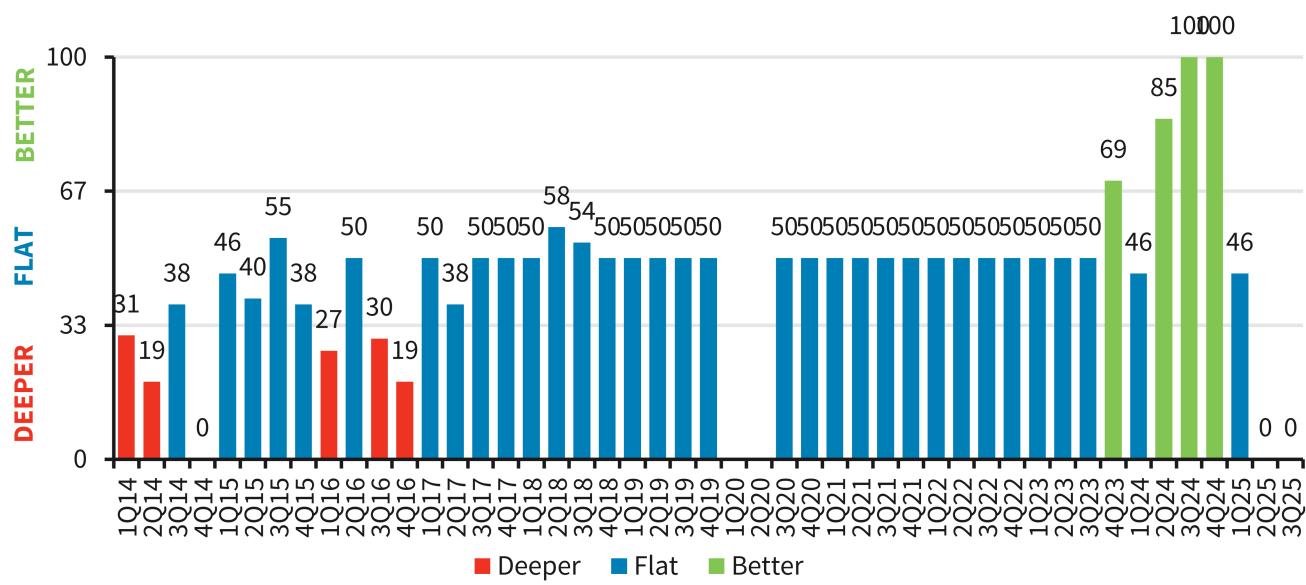
Fiscal Year End January
Source: Barclays Research

FIGURE 6. LULU Promotional Cadence Charts



Fiscal Year End January
Source: Barclays Research

FIGURE 7. LULU Absolute Promo Tracker Score 1Q14 – Present (0 Worst to +100 Best)



Note: Due to COVID no data was gathered for 1Q20 and 2Q20. Fiscal Year End January
Source: Company websites and emails; Barclays Research

Tariff Exposure

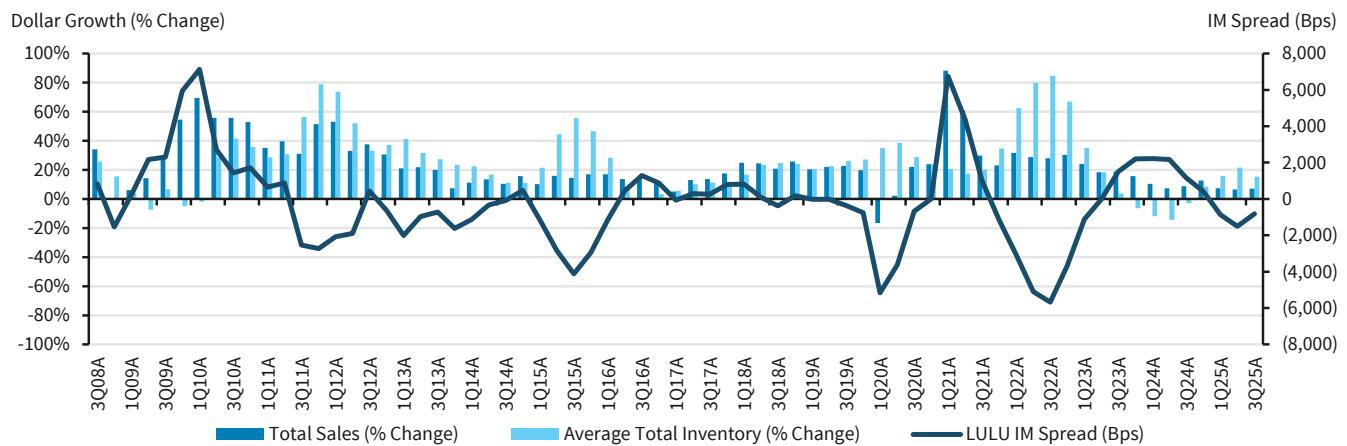
Reach out to request our proprietary Tariff QuikCalc model [here](#).

Tariff Exposure Update. 3Q25 GM decreased 290bps, driven primarily by tariffs, but also including 90bps of increased markdown pressure. Looking ahead, tariff-related headwinds are expected to weigh on 4Q25 GM by about 410bps, contributing to total GM guidance down 580bps. FY26 estimated tariff pressure of \$320mn was not updated from the prior quarter's commentary. Tariff mitigation efforts continue to include strategic pricing actions, vendor negotiations, DC network efficiency, and enterprise wide savings initiatives.

Prior Tariff Commentary. In FY25, tariff related pressure on GM is expected to amount to (220bps), up from prior tariff guidance of (40bps), with most of the heightened impact tied to (170bps) of de-minimis exemption impacts, and the balance attributable to higher underlying country rates. In FY26, the tariff pressure will continue, with an estimated tariff impact of ~\$320mn likely to have an outsized impact on 1H26. We note that in LULU's most recent 10-K, the company provided details on its global manufacturing mix by country: "*During 2024, 40% of our products were manufactured in Vietnam, 17% in Cambodia, 11% in Sri Lanka, 11% in Indonesia, and 7% in Bangladesh, and the remainder in other regions.*" 3Q24 Earnings Call 12/5/24: "*We have very limited exposure in China, we source approximately 3% of goods from China. So exposure there is relatively small. Our sourcing from Mexico is less than half a percentage, and we don't source anything from Canada.*"

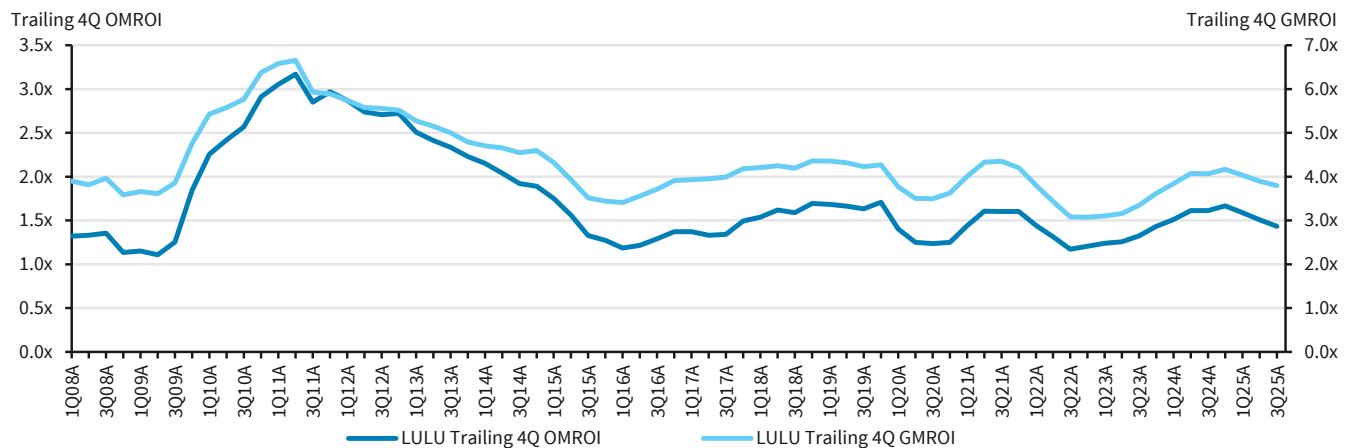
Inventory Management Spread, GMROI, and OMROI

FIGURE 8. Historical Change in Total Sales Vs. Average Inventory (IM Spread), FY3Q08A – Present



Fiscal Year End January
Source: Company data, Barclays Research

FIGURE 9. Historical GMROI/OMROI Analysis, FY1Q08A – Present



Fiscal Year End January
Source: Company data, Barclays Research

Model Changes

FIGURE 10. Model Changes (in \$ millions, except per share data)

(\$mm, except per share)	New					Old					Consensus						
	3Q25A	4Q25E	FY25E	FY26E	FY27E	3Q25E	4Q25E	FY25E	FY26E	FY27E	3Q25E	4Q25E	FY25E	FY26E	FY27E		
Total Revenue	\$2,566	\$3,589	\$11,051	\$11,564	\$12,212	\$2,496	\$3,576	\$10,968	\$11,647	\$12,384	\$2,484	\$3,585	\$10,957	\$11,440	\$12,035		
Adj Gross Profit	1,426	1,967	6,254	6,370	6,808	1,357	1,950	6,167	6,374	6,806	1,350	1,960	6,161	6,313	6,660		
Adj. SG&A	990	1,169	4,056	4,303	4,544	986	1,111	3,995	4,230	4,480	982	1,128	4,004	4,221	4,439		
Adj. Operating Income	436	799	2,197	2,066	2,264	371	839	2,173	2,144	2,326	368	832	2,157	2,093	2,222		
Adj Net Income	\$307	\$565	\$1,557	\$1,463	\$1,601	\$264	\$598	\$1,547	\$1,526	\$1,653	\$263	\$589	\$1,537	\$1,497	\$1,548		
EPS (adjusted, diluted)	\$2.59	\$4.76	\$13.04	\$12.34	\$13.50	\$2.21	\$4.99	\$12.90	\$12.75	\$13.81	\$2.22	\$4.97	\$12.89	\$12.84	\$13.89		
Gross Margin	55.6%	54.8%	56.6%	55.1%	55.7%	54.4%	54.5%	56.2%	54.7%	55.0%	54.4%	54.7%	56.2%	55.2%	55.3%		
Adj. SG&A % of Sales	38.6%	32.6%	36.7%	37.2%	37.2%	39.5%	31.1%	36.4%	36.3%	36.2%	39.5%	31.5%	36.5%	36.9%	36.9%		
Adj. Operating Income Margin	17.0%	22.3%	19.9%	17.9%	18.5%	14.9%	23.5%	19.8%	18.4%	18.8%	14.8%	23.2%	19.7%	18.3%	18.5%		
New vs. Old								New vs. Consensus									
(% Change, except margin)								3Q25E	4Q25E	FY25E	FY26E	FY27E	3Q25E	4Q25E	FY25E	FY26E	FY27E
Total Revenue								3%	0%	1%	-1%	-1%	3%	0%	1%	1%	1%
Adj Gross Profit								5%	1%	1%	0%	0%	6%	0%	1%	1%	2%
Adj. SG&A								0%	5%	2%	2%	1%	1%	4%	1%	2%	2%
Adj. Operating Income								17%	-5%	1%	-4%	-3%	18%	-4%	2%	-1%	2%
Adj Net Income								16%	-6%	1%	-4%	-3%	17%	-4%	1%	-2%	3%
EPS (adjusted, diluted)								17%	-5%	1%	-3%	-2%	17%	-4%	1%	-4%	-3%
Gross Margin								1.19%	0.30%	0.36%	0.36%	0.79%	1.21%	0.13%	0.36%	-0.11%	0.40%
Adj. SG&A % of Sales								-0.93%	1.50%	0.29%	0.89%	1.03%	-0.95%	1.09%	0.16%	0.32%	0.33%
Adj. Operating Income Margin								2.11%	-1.20%	0.07%	-0.54%	-0.24%	2.16%	-0.95%	0.19%	-0.43%	0.07%

Fiscal Year End January

Source: Company filings, Bloomberg Consensus, Barclays Research estimates

Income Statement

FIGURE 11. Income Statement (in \$ millions, except per share data)

	FY23A	1Q Apr-25	2Q Jul-24	3Q Oct-24	4Q Feb-25	FY24A	1Q May-25	2Q Aug-25	3Q Nov-25	4QE Feb-26	FY25E	1QE May-26	2QE Aug-26	3QE Nov-26	4QE Feb-27	FY26E	FY27E
Total Net Sales	\$9,619.278	\$2,208.891	\$2,371.078	\$2,396.660	\$3,611.497	\$10,588.126	\$2,370.660	\$2,525.219	\$2,565.920	\$3,588.875	\$11,050.674	\$2,454.598	\$2,625.417	\$2,707.956	\$3,776.400	\$11,564.371	\$12,212.323
Cost of Goods Sold	3,986.164	933.823	958.893	995.054	1,429.545	4,317.315	987.534	1,048.017	1,140.004	1,621.568	4,797.123	1,139.093	1,194.618	1,230.188	1,630.769	5,194.669	5,404.730
Gross Profit	5,633.114	1,275.068	1,412.185	1,401.606	2,181.952	6,270.811	1,383.126	1,477.202	1,425.916	1,967.308	6,253.552	1,315.505	1,430.799	1,477.768	2,145.631	6,369.703	6,807.592
SG&A Expenses	3,402.228	842.426	871.959	910.945	1,139.784	3,765.114	944.501	953.388	990.030	1,168.533	4,056.452	1,002.489	1,004.344	1,055.665	1,240.920	4,303.419	4,544.066
Earnings Before Interest and Taxes	2,230.886	432.642	540.226	490.661	1,042.168	2,505.697	438.625	523.814	435.886	798.774	2,197.099	313.016	426.455	422.103	904.710	2,066.284	2,263.527
EBITDA	2,610.270	528.401	643.799	604.260	1,175.761	2,952.221	553.154	643.529	563.345	927.508	2,687.536	443.037	557.776	554.737	1,038.671	2,594.221	2,812.900
Other/Interest Income (Expense), Net	43.059	23.283	17.994	13.743	15.360	70.380	11.786	9.737	5.854	8.000	35.377	6.000	6.000	6.000	6.000	24.000	23.520
Income Before Taxes	2,273.945	455.925	558.220	504.404	1,057.528	2,576.077	450.411	533.551	441.740	806.774	2,232.476	319.016	432.455	428.103	910.710	2,090.284	2,287.047
Income Tax	651.630	134.504	165.298	152.534	309.125	761.461	135.839	162.646	134.905	242.032	675.422	95.705	129.736	128.431	273.213	627.085	686.114
Income (Loss) from Continuing Operations	1,622.315	321.421	392.922	351.870	748.403	1,814.616	314.572	370.905	306.835	564.742	1,557.054	223.311	302.718	299.672	637.497	1,463.199	1,600.933
Non-Controlling Interest	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net Income (Loss) from One Time/Disc Operations	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net Income Attributable to LULU	1,622.315	321.421	392.922	351.870	748.403	1,814.616	314.572	370.905	306.835	564.742	1,557.054	223.311	302.718	299.672	637.497	1,463.199	1,600.933
Basic Earnings (Loss) Per Share After Disc Ops	\$12.80	\$2.55	\$3.15	\$2.87	\$6.15	\$14.67	\$2.61	\$3.10	\$2.59	\$4.76	\$13.05	\$1.88	\$2.55	\$2.53	\$5.38	\$12.34	\$13.51
Diluted Earnings (Loss) Per Share - GAAP	\$12.20	\$2.54	\$3.15	\$2.87	\$6.14	\$12.20	\$2.60	\$3.10	\$2.59	\$4.76	\$13.04	\$1.88	\$2.55	\$2.53	\$5.38	\$12.34	\$13.50
Diluted Earnings (Loss) Per Share - Non GAAP	\$12.77	\$2.54	\$3.15	\$2.87	\$6.14	\$14.64	\$2.60	\$3.10	\$2.59	\$4.76	\$13.04	\$1.88	\$2.55	\$2.53	\$5.38	\$12.34	\$13.50
Weighted Avg S/O - Basic	126.726	125.989	124.721	122.697	121.683	123.735	120.632	119.600	118.535	118.535	119.326	118.535	118.535	118.535	118.535	118.535	118.535
Weighted Avg S/O - Fully Diluted	127.060	126.336	124.857	122.803	121.895	123.935	120.843	119.680	118.552	118.552	119.407	118.552	118.552	118.552	118.552	118.552	118.552
% of Sales Ratios																	
Gross Margin	58.6	57.7	59.6	58.5	60.4	59.2	58.3	58.5	55.6	54.8	56.6	53.6	54.5	54.6	56.8	55.1	55.7
Advertising, SG&A Expense Ratio	35.4	38.1	36.8	38.0	31.6	35.6	39.8	37.8	38.6	32.6	36.7	40.8	38.3	39.0	32.9	37.2	37.2
Operating Margin	23.2	19.6	22.8	20.5	28.9	23.7	18.5	20.7	17.0	22.3	19.9	12.8	16.2	15.6	24.0	17.9	18.5
Pretax Margin	23.6	20.6	23.5	21.0	29.3	24.3	19.0	21.1	17.2	22.5	20.2	13.0	16.5	15.8	24.1	18.1	18.7
Net Margin	16.9	14.6	16.6	14.7	20.7	17.1	13.3	14.7	12.0	15.7	14.1	9.1	11.5	11.1	16.9	12.7	13.1
Tax Rate	28.7	29.5	29.6	30.2	29.2	29.6	30.2	30.5	30.0	30.5	30.3	30.0	30.0	30.0	30.0	30.0	30.0
YOY % Change																	
Total Net Sales	18.6	10.4	7.3	8.7	12.7	10.1	7.3	6.5	7.1	(0.6)	4.4	3.5	4.0	5.5	5.2	4.6	5.6
Gross Profit	23.7	10.8	8.8	9.5	14.6	11.3	8.5	4.6	1.7	(0.3)	(4.9)	(3.1)	3.6	9.1	1.9	6.9	
SG&A	23.0	12.4	6.4	7.9	15.2	10.7	12.1	9.3	8.7	2.5	7.7	6.1	5.3	6.6	6.2	6.1	5.6
Operating Income	24.7	7.8	12.7	12.5	14.0	12.3	1.4	(3.0)	(11.2)	(23.4)	(12.3)	(28.6)	(18.6)	(3.2)	13.3	(6.0)	9.5
Pretax Income	26.8	11.4	14.7	13.1	13.5	13.3	(1.2)	(4.4)	(12.4)	(23.7)	(13.3)	(29.2)	(18.9)	(3.1)	12.9	(6.4)	9.4
Net Income	25.9	10.7	15.0	9.7	11.8	11.9	(2.1)	(5.6)	(12.8)	(24.5)	(14.2)	(29.0)	(18.4)	(2.3)	12.9	(6.0)	9.4
EPS	26.8	11.8	17.2	13.2	16.1	14.7	2.3	(1.5)	(9.7)	(22.4)	(10.9)	(27.6)	(17.6)	(2.3)	12.9	(5.4)	9.4
Store Fundamentals																	
Beginning Stores	655	711	711	721	749	711	767	770	784	796	767	813	824	835	848	813	858
Stores Opened - Total	56	0	10	28	18	56	3	14	12	17	46	11	11	13	10	45	40
Stores Closed - Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Number of Stores EOP - North America	438	440	441	459	462	462	467	470	474	474	476	478	480	480	480	480	484
Number of Stores EOP - ANZ (Australia/New Zealand)	41	40	41	41	41	41	41	41	42	42	42	42	42	42	42	42	42
Number of Stores EOP - ASIA (China/Stk/Kor/Sgrn/Mal)	176	176	184	193	207	207	210	217	225	238	246	254	264	274	274	307	307
Number of Stores EOP - EMEA (Europe/Middle East)	46	47	47	47	47	47	49	49	49	49	50	51	52	52	52	55	55
Total LULU Stores EOP	711	711	721	749	767	767	770	784	796	813	824	835	848	858	858	898	898
Number of Stores at End Of Period - Total	711	711	721	749	767	767	770	784	796	813	824	835	848	858	858	898	898
Total Comparable Sales (Constant Dollars)	14.0	7.0	3.0	3.0	4.0	4.0	1.0	1.0	2.0	-0.1	1.0	-0.1	0.5	2.0	2.0	1.1	3.0
Americas Comp	9.0	0.0	(2.0)	(2.0)	0.0	(1.0)	(1.0)	(3.0)	(5.0)	(3.0)	(3.0)	(2.0)	0.0	0.0	(1.3)	1.8	
China Mainland Comp	46.0	33.0	23.0	24.0	27.0	27.0	8.0	16.0	25.0	9.0	14.5	10.0	10.0	10.0	11.0	10.3	8.0
RoW Comp	33.0	26.0	20.0	20.0	17.0	20.0	7.0	9.0	9.0	8.0	8.3	7.0	6.0	6.0	5.0	6.0	5.0
OLD Comp Figures Below																	
Total Gross Square Feet (end of year, millions)	2,967						3.372					3.728				4,078	4,388
YOY % change	15%						14%					11%				9%	8%
Average Store Size (square feet)	4,173						4,396					4,487				4,566	4,630
YOY % change	6%						5%					2%				2%	1%
Average Store Sales Per Store (millions)	\$6,458						\$6,777										
YOY % change	9%						5%										
Store Sales per Average Gross Square Foot	\$1,592						\$1,580										
YOY % change	3%						-1%										

Fiscal Year End January

Source: Company Filings, Barclays Research estimates

Analyst(s) Certification(s):

I, Adrienne Yih, hereby certify (1) that the views expressed in this research report accurately reflect my personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

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Primary Stocks (Ticker, Date, Price)

lululemon athletica inc. (LULU, 11-Dec-2025, USD 187.01), Equal Weight/Neutral, CE/J

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FIGS, Inc. (FIGS)	Groupe Dynamite Inc. (GRGD.TO)	Kontoor Brands, Inc. (KTB)

Levi Strauss & Co. (LEVI)	lululemon athletica inc. (LULU)	National Vision Holdings, Inc. (EYE)
Nike, Inc. (NKE)	On Holding AG (ONON)	Pet Valu Holdings Ltd. (PET.TO)
Ralph Lauren Corporation (RL)	Ross Stores, Inc. (ROST)	Tapestry, Inc. (TPR)
The Gap, Inc. (GAP)	The TJX Companies, Inc. (TJX)	Ulta Beauty, Inc. (ULTA)
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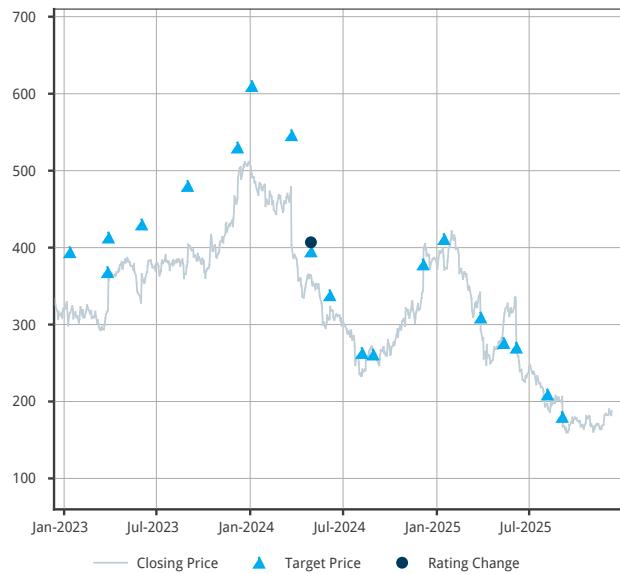
Stock Rating: **EQUAL WEIGHT**

Industry View: **NEUTRAL**

Closing Price: **USD 187.01** (11-Dec-2025)

Rating and Price Target Chart - USD (as of 11-Dec-2025)

Currency=USD



Source: IDC, Barclays Research

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Publication Date	Closing Price*	Rating	Adjusted Price Target
04-Sep-2025	206.09		180.00
06-Aug-2025	195.07		209.00
06-Jun-2025	330.78		270.00
12-May-2025	282.43		276.00
28-Mar-2025	341.53		309.00
15-Jan-2025	388.74		411.00
05-Dec-2024	344.81		378.00
29-Aug-2024	259.01		261.00
07-Aug-2024	236.90		263.00
05-Jun-2024	308.27		338.00
29-Apr-2024	364.70	Equal Weight	395.00
22-Mar-2024	478.84		546.00
04-Jan-2024	498.02		610.00
07-Dec-2023	464.67		530.00
31-Aug-2023	381.26		480.00
02-Jun-2023	328.35		430.00
29-Mar-2023	320.31		413.00
27-Mar-2023	313.45		368.00
12-Jan-2023	311.96		394.00

On 11-Dec-2022, prior to any intra-day change that may have been published, the rating for this security was Overweight, and the adjusted price target was 445.00.

Source: Bloomberg, Barclays Research

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Valuation Methodology: Our price target of \$189 is based on an NTM P/E multiple of 14x applied to our CY27 EPS estimate of \$13.50.

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