

Annual General Meeting

Company Participants

- Calvin McDonald, CEO
- Martha Morfitt, Board Chair
- Shannon Higginson, SVP, General Counsel, Chief Compliance Officer

Other Participants

- Jacqueline Shadashige, Corporate Responsibility Officer, PETA

Presentation

Martha Morfitt {BIO 1815099 <GO>}

Thank you. Good morning, everyone. On behalf of the Board of Directors and our leadership team I'd like to welcome you to Lululemon's 2022 Annual Meeting of Shareholders.

I'd like to start this meeting by thanking Glenn Murphy, our previous Chair, for his exceptional leadership over the past five years. Glenn, you leave big shoes to fill and I'm both honored and excited to step into this role and very thankful that you'll be remaining on the board.

I'd also like to acknowledge the hard focused work of Calvin, the leadership team and all of the 29,000 employees at Lululemon and delivering another year of excellent results in 2021 and a strong start to 2022. Thank you, all.

Today's meeting is being conducted virtually through a live webcast. This allows stockholders to participate in today's meeting regardless of where they're located. In addition, stockholders can submit questions and vote their shares online at the appropriate time.

With me today is the Board of Directors and a few members of management. From the board, we have David Mussafer, Lead Director; Michael Casey, Kourtney Gibson, Kathryn Henry, Allison Loehnis, Jon McNeill, Glenn Murphy, Emily White, and Calvin McDonald, a Director and our CEO.

With us from management is Shannon Higginson, our SVP, General Counsel and Chief Compliance Officer; Esther Speck, our V.P. Sustainable Business and Impact; and Erin Nicholas, our Corporate Secretary, who will act as secretary of today's meeting.

Once we have completed the formal portion of the meeting, Calvin will speak to our fiscal 2021 and Q1 2022 results. Then we'll address any questions you may have. Now I'd like to turn the meeting over to Shannon who will take you through; take us through the business portion of the meeting.

Shannon Higginson {BIO 21411487 <GO>}

Thank you, Marti. Richard J. Lada [ph] of Broadridge Financial Solutions has been appointed to act as the Inspector of Election for this meeting. Representatives from our registered public accounting firm, PricewaterhouseCoopers LLP, are also attending today's meeting and will be available to answer questions concerning our financial statements during the question and answer period at the end of the meeting.

You should be able to see on your screen in the virtual meeting portal a text box where you may submit questions, which you may do at any time prior to the end of the meeting.

The record date for voting at this meeting was the close of business on April 12, 2022. The Secretary has delivered an affidavit of mailing to show that notice of this meeting was given. The Inspector of Election has confirmed the majority of the shares entitled to vote at this meeting are present in-person or by proxy. Accordingly a quorum is present and the meeting is duly convened for transacting business properly before it.

Information on the matters to be voted on at this meeting is included in the proxy statement previously given to the stockholders. It is 8:03 a.m. Pacific time and the polls are open for voting.

There are three management proposals to be voted on at the meeting today plus one shareholder proposal to be voted on if properly presented at the meeting. The matters to be voted upon are as follows.

Proposal number one, to elect three class three directors to hold office for a three-year term and until their respective successors are elected and qualified. The Board of Directors nominated Kathryn Henry, John McNeill, and Allison Loehnis. Each of whom is a current class three director. The board of directors recommended a vote for the election of each of these nominees.

Proposal number two, to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending January 28, 2023. The board of directors recommend a vote for this proposal.

Proposal number three, to approve on an advisory basis the compensation for our named executive officers. The board of directors recommended a vote for this advisory proposal.

Finally, the shareholder proposal. At this time we would like to invite the representative for the People for the Ethical Treatment of Animals to introduce themselves and read the text of their proposal. They will then have two minutes to make any additional comments. Operator.

Jacqueline Shadashige

Hello? Hello?

Shannon Higginson {BIO 21411487 <GO>}

Hello. Jacqueline are you from PETA?

Jacqueline Shadashige

Hello, yes.

Shannon Higginson {BIO 21411487 <GO>}

Go ahead.

Jacqueline Shadashige

Resolved, lululemon has pledged to uphold strong animal welfare practices. Given the cruelty inherent in the down industry the board is strongly urged to commission a report on the slaughter methods used to procure down to determine whether these methods align with that pledge.

The report should also address the risks presented by the Company's sourcing of down that are incompatible with the animal welfare practices and the Company's plan, if any, to mitigate these risks.

Good morning, my name is Jacqueline Shadashige and I'm here on behalf of People for the Ethical Treatment of Animals or PETA. I'm speaking in support of our proposal that the board commission a report on the slaughter methods used to obtain down.

lululemon asserts that it is committed to obtaining down from certified ethical and humane sources and that it does not condone the mistreatment of animals in any form. But there is no actual evidence to support such claims and much to prove otherwise.

PETA U.S. Other PETA entities have investigated so-called responsible and humane suppliers across multiple industries dealing with animal derived materials. And repeatedly found that standards cannot and do not eliminate cruelty.

PETA Asia investigations connected responsible down standards certified suppliers to live plucking. A practice in which workers pin terrified birds between their legs

and rip fistfuls of feathers from birds bodies leaving open bloody wounds. Suppliers even admitted to mislabeling the live plucked down as not live plucked to fool buyers.

No matter where down is sources, birds used in the down industry are inevitably sent to the slaughterhouse where many are improperly stunned leaving them conscience and able to feel peel when their throats are slit and plunged into scalding hot defeathering tanks.

Down makes up less than 0.5% of lululemons total materials. Since its such an inconsequential material for our Company it should be easy to eliminate it in favor of the cruelty-free alternatives already in use. We shareholders deserve full disclosure of the slaughter methods used to obtain down which will reveal that they are not in keeping with our Companys humane claims. Accordingly, we urge all shareholders to vote for this ethically and economically responsible resolution. Thank you.

Calvin McDonald {BIO 16657186 <GO>}

Thank you. This is Calvin McDonald and Id like to provide our response. Our board of directors unanimously recommends that you vote against this proposal principally because first we are already committed to obtaining down from certified ethical and humane sources. Second, we strongly believe that decision about the use of materials in our products should be made by our management and design team rather than by our board of directors or shareholders.

Shannon Higginson {BIO 21411487 <GO>}

Thank you, Calvin. Please note if you previously voted by proxy you do not need to vote today unless you wish to change your vote. If you have not previously voted by proxy or if you wish to change your vote you may cast your vote using the link entitled vote now on the right hand side of your screen.

It is now 8:07 a.m. Pacific Time and the polls are closed. Based on the preliminary tally provided by the inspector of election, a sufficient number of shares have been voted as follows.

To re-elect each of Ms. Henry, Mr. McNeill, and Ms. Loehnis as Class 3 directors; to ratify the appointment of Price Waterhouse Copper LLP as our accounting firm for fiscal 22 and to approve on an advisory basis the compensation of our named executive officers.

As sufficient number of shares have not been voted on favor of this shareholder proposal. So the stockholder proposal has not been adopted. The final voting results are subject to the final count certified by the inspector of election and will be publically disclosed in a Form 8K to be filed with the Securities and Exchange Commission.

The formal meeting is now adjourned. I will now turn over the meeting to Calvin for some brief remarks about our 2021 and Q1 2022 financial performance. Before he begins, I want to remind everyone that a reconciliation of GAAPs and non-GAAP measures is included in our Form 10K and Form 10Q and in our earnings press releases and also that today's meeting may include forward-looking statements that are based on management's current expectations and assumptions.

Actual results may differ materially from those indicated by the forward-looking statements due to risks and uncertainties, including those explained in our Form 10K and our Form 10Q. Calvin.

Calvin McDonald {BIO 16657186 <GO>}

Thank you, Shannon. And good morning to all our shareholders joining us today. It's great to be with you. 2021 was another pivotal year for Lululemon as we exceeded \$6 billion in annual revenue for the first time and are on track to deliver every one of our 2023 Power of Three revenue goals two years ahead of schedule.

Our strong performance was grounded in staying true to our vision and values and speaks to the enduring strength of our brand, our ability to deliver sustained growth across the business and the agility and hard work of our teams. I'd like to spend a few minutes sharing some highlights from the year and reflect on the exciting opportunity ahead.

In 2021 our momentum remained particularly strong as we grew total revenue by 42% to \$6.3 billion. Our strength continued to be broad based and balanced across every facet of our business including channel, category, activity, gender, and geography.

We leveraged the science of feel, which continues to fuel our product innovation engine to develop fabrics and products that solve the unmet needs of our guests with strength across both women's and men's and within each of our four core product areas of yoga, run, train, and on the move.

We saw our multiyear partnership with the Canadian Olympic Committee and Paralympics Committee come to life, which will continue to be a powerful opportunity to highlight the Lululemon brand in our technical apparel expertise on the world stage. Looking forward, our product pipeline remains robust and I'm excited for the new innovations we are bringing to market in 2022, including our recent launch of our footwear collection that's made for women first and new offerings in our play categories, including tennis, golf, and hike.

We're focused on strengthening our enduring guest relationships and our continued channel investments have engaged our guests in new and compelling ways, meeting them from, when and how they want to shop.

Our stores continue to be an important growth driver and connection point with our guest and we open 53 net new stores in 2021. Our ongoing digital innovation also contributed to the strength of our omni guest offering. We launched mirror in Canada, its first market outside of the United States.

And in 2022 were continuing to connect with our guests both new and existing in powerful ways by offering new offerings such as the recent expansion of our like new trade in and resale program across the United States and our upcoming launch of our two tiered membership program later this year.

Looking at our international business we have significant runway in our core existing and new markets. In 2021 our international revenue grew by more than 50% and still only represents 15% of our business.

We opened 43 net new stores internationally and continue to see how well the Lululemon brand resonates across the globe, from 31 new stores in China mainland to continued growth within Asia-Pacific to our strong online performance in Europe we believe our results reinforce that Lululemon is a brand uniquely positioned in the global market place and we are just getting started outside of North America.

As we look ahead we will continue to deliver growth by engaging guests in China mainland, growing our core markets and scaling and entering new countries across APAC and Europe.

Now switching to our impact agenda. All our strategies are underpinned by our impact agenda, which we first published in 2020. It said that the vision for our potential and how we will drive positive and meaningful change in the world. I'm pleased with how we've advanced our impact agenda in 2021 and delivered on our priorities.

We made solid progress across our be human, be well and be planted pillars, which include building an environment that is equitable and inclusive, advancing equity and well-being across our communities, working to prevent environmental harm and helping to restore the planet.

Additionally we continued to invest in our people and aspire to create an environment where everyone can thrive, make an impact and be celebrated. We expanded our employee benefits, raising minimum wage and base wage pay in North America and introduced more unique mental health mentorship programs and continued to support both the personnel and career development of all our team members.

Looking ahead we're already off to a strong start in 2022. Last week we reported our First Quarter results. Revenue grew 32% versus last year and 27% on a three year CAGR basis, adjusted earnings per share grew 28% and 26% on the same basis.

Our results demonstrate the strength of our business and the momentum for our brand. This is enabled by our omni operating model, our product innovation and our balanced approach to growth. As we look to the future I'm energized by the opportunities ahead and our significant runway for growth.

In April at our Analyst Day in New York we revealed our ambitious new five year growth plan to double the business from \$6.25 billion to \$12.5 billion by 2026 using our successful power of three formula.

Our strategy, which we are calling the power of three times two includes a plan to double our mens in digital revenue and to quadruple our international revenues relative to 2021. We will achieve these goals by continuing to focus on our three strategic pillars of product innovation, guest experience, and market expansion.

These pillars, along with our impact agenda priorities will drive our strategies for the near and long term. Our commitment to innovation for our guests and our desire to have positive impact on the planet and across the communities in regions in which we operate.

In closing, we believe we are in the early innings of our growth potential and I am confident in our ability to deliver on our power of three times two plan and maintain momentum through an ever evolving macro environment.

Let me invite thanking our teams around the world. Our board of directors and our shareholders for your continued support, confidence and commitment to Lululemon. We will continue to work tirelessly to deliver for our guests our people, the communities we serve and all of you. We'll now take questions from shareholders. Please submit your questions through the virtual meeting portal.

Questions And Answers

A - Martha Morfitt {BIO 1815099 <GO>}

Thank you, Calvin. This is Marti Morfitt and I am going to T-up the questions that we received from our shareholders. The first one is a multipart question from the Lululemon founder, who as most of you know, is no longer an active part of the company.

So I will start this off and then hand it off to Calvin so that we can address the various parts of this question adequately. The first part, and I'll paraphrase, is Marti Morfitt is now the chair of the Lululemon board, is she the right person to be the face of Lululemon and why?

Not to bore you with my credentials outside the company, I've been with Lululemon for 14 years. I know the business very well. Most of those years I played various leadership roles with the company and I'm honored that the board has selected me

to be in this role. So I appreciate the question and I appreciate the chance to answer it. I'll turn the rest of these questions over to Calvin.

A - Calvin McDonald {BIO 16657186 <GO>}

Thanks, Marti. Second question is how is Lululemons brand focus on diversity and inclusion differentiating the brand in the market place?

I would say its not. Being diverse and inclusive, representing the communities and guests we serve is simply the right thing to do, quite frankly for all brands. We'll continue to differentiate our brand through innovative product by delivering on unmet needs of our guests, investing in the guest experience in the relationship.

These are the key areas of our brand that are unique; we believe differentiate, have and will continue to fuel. And being a diverse and inclusive brand is just something we aspire to be better than we are today and the right thing to do in the communities and the guests we serve.

Third question is how does Lululemons brand statement of putting women first to market -- sorry, let me get this straight. How does Lululemons brand statement of putting women first to market running shoes meet its inclusion goals by excluding men?

I'll -- first and I'll talk specifically to footwear. But being inclusive does not mean that we will pursue every opportunity equally across the genders and launch at the same time. We look at what the unmet need opportunities are, those may differ across genders and will innovate and bring those to market accordingly.

In footwear we saw a significant unmet need for our female guests and our innovation has been recognized to deliver that gap that existed in the market place by both experts as well as our guest where we've seen an overwhelming response to the launch of the product, which is exciting.

And we have stated that we will be bringing a mens footwear offering to market in the future. In fact, we launched Restfeel last week, our slides. So those were both launched dual gender with a mens and womens offering. But in the case of our Blissfeel run, we did go first with our womens assortment because we saw real exciting opportunity in the market place that quite frankly was not being offered and a significant unmet need and an opportunity to be unique and different in a -- in a very contested category and we took it.

And I'm excited and excited how its resonated and we will bring mens. But as we look at opportunities we don't put it through the filter being inclusive or not, we put it through the opportunity or the filter of delivering unmet needs in the opportunities.

Then finally the last question, size 18 apparel uses double the cost of Lululemons very expensive fabric compared to size 6. How does Lululemon justify forcing a size 6 woman to subsidize a size 18 person when selling both sizes at the same price?

I'll tackle the question. First, none of our quest subsidize the other for the -- for the size of product that they're offering. I'll break it down into two how we approach it. First, it's just the right thing to do is to expand and offer a size range that allows all athletes across both men's and women's to perform in Lululemon and a brand that gives them this similar technical performance brand product opportunities.

So expanding our size offering across both men's and women's is something we've started a few years ago. We're proud and it's doing well and resonating and it definitely fits with the brand opportunity and the communities.

Then finally -- and how we manage it, we manage our margin through mix, which is across categories, sizes, gender to meet our margin goals and sizing is no different in how merchants mix to deliver on the goals that we've shared and the commitments in our five year plan.

A - Martha Morfitt {BIO 1815099 <GO>}

Thank you, Calvin. We have another submission from a shareholder and I'll just read this and, Calvin, if you want to respond or add to this after I've gotten through this please feel free.

Good morning, to Lululemon management team. I am so pleased to be here. First thing I wanted to mention is that when I was notified about the jobs I was surprised but very quickly I became moved and proud.

It's a daring move but it says something about Lululemon. The past year has been a rollercoaster and it has made me reflect and I actually look for -- reflects, excuse me sorry -- and it's made me reflect what I actually look for in an investment.

Throughout each challenge I see Lululemon weathering the storm and being steadfast in long term goals. I have to say congratulations. I look forward to all the new things that are on deck and thank you for being true to your customers. I live in Victoria and I like to say there is a huge fan base there.

Thank you for that. Well we have no more questions or comments. Thank you for those that we did receive. At this point I'd like to wrap at the meeting and thank everyone for joining us for your questions, your comments and your support of the board's recommendations in the Lululemon business. Thank you, all.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

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