

**Ulta Beauty, Inc.**  
**Consolidated Balance Sheets**

<b>(In thousands, except per share data)</b>	<b>February 2, 2019</b>	<b>February 3, 2018</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 409,251	\$ 277,445
Short-term investments	—	120,000
Receivables, net	136,168	99,719
Merchandise inventories, net	1,214,329	1,096,424
Prepaid expenses and other current assets	138,116	98,666
Prepaid income taxes	16,997	1,489
Total current assets	1,914,861	1,693,743
Property and equipment, net	1,226,029	1,189,453
Goodwill	10,870	—
Other intangible assets, net	4,317	—
Deferred compensation plan assets	20,511	16,827
Other long-term assets	14,584	8,664
Total assets	<u>\$ 3,191,172</u>	<u>\$ 2,908,687</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 404,016	\$ 325,758
Accrued liabilities	220,666	189,171
Deferred revenue	199,054	113,136
Accrued income taxes	—	14,101
Total current liabilities	823,736	642,166
Deferred rent	434,980	407,916
Deferred income taxes	83,864	59,403
Other long-term liabilities	28,374	24,985
Total liabilities	1,370,954	1,134,470
<b>Commitments and contingencies (Note 8)</b>		
<b>Stockholders' equity:</b>		
Common stock, \$0.01 par value, 400,000 shares authorized; 59,232 and 61,441 shares issued; 58,584 and 60,822 shares outstanding; at February 2, 2019 and February 3, 2018, respectively	592	614
Treasury stock-common, at cost	(24,908)	(18,767)
Additional paid-in capital	738,671	698,917
Retained earnings	1,105,863	1,093,453
Total stockholders' equity	1,820,218	1,774,217
Total liabilities and stockholders' equity	<u>\$ 3,191,172</u>	<u>\$ 2,908,687</u>

*See accompanying notes to consolidated financial statements.*

**Ulta Beauty, Inc.**  
**Consolidated Statements of Income**

	Fiscal year ended		
	February 2, 2019	February 3, 2018	January 28, 2017
<b>(In thousands, except per share data)</b>			
Net sales	\$ 6,716,615	\$ 5,884,506	\$ 4,854,737
Cost of sales	4,307,304	3,787,697	3,107,508
Gross profit	2,409,311	2,096,809	1,747,229
Selling, general and administrative expenses	1,535,464	1,287,232	1,073,834
Pre-opening expenses	19,767	24,286	18,571
Operating income	854,080	785,291	654,824
Interest income, net	(5,061)	(1,568)	(890)
Income before income taxes	859,141	786,859	655,714
Income tax expense	200,582	231,625	245,954
Net income	\$ 658,559	\$ 555,234	\$ 409,760
Net income per common share:			
Basic	\$ 11.00	\$ 9.02	\$ 6.55
Diluted	\$ 10.94	\$ 8.96	\$ 6.52
Weighted average common shares outstanding:			
Basic	59,864	61,556	62,519
Diluted	60,181	61,975	62,851

*See accompanying notes to consolidated financial statements.*

**Ulta Beauty, Inc.**  
**Consolidated Statements of Cash Flows**

	Fiscal year ended		
	February 2, 2019	February 3, 2018	January 28, 2017
<b>(In thousands)</b>			
<b>Operating activities</b>			
Net income	\$ 658,559	\$ 555,234	\$ 409,760
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	279,472	252,713	210,295
Deferred income taxes	34,080	(27,095)	26,971
Non-cash stock compensation charges	26,636	24,399	19,340
Excess tax benefits from stock-based compensation	—	—	(9,053)
Loss on disposal of property and equipment	2,885	7,518	9,140
Change in operating assets and liabilities, net of acquisitions:			
Receivables	(36,387)	(11,088)	(23,639)
Merchandise inventories	(122,019)	(152,449)	(182,182)
Prepaid expenses and other current assets	(39,450)	(10,045)	(16,073)
Income taxes	(29,609)	3,641	5,322
Accounts payable	78,256	66,240	63,344
Accrued liabilities and deferred revenue	79,949	36,891	71,057
Deferred rent	27,064	41,725	44,402
Other assets and liabilities	(3,309)	(8,318)	5,701
Net cash provided by operating activities	956,127	779,366	634,385
<b>Investing activities</b>			
Purchases of short-term investments	(386,193)	(330,000)	(90,000)
Proceeds from short-term investments	506,193	240,000	190,000
Purchases of property and equipment	(319,400)	(440,714)	(373,447)
Acquisitions, net of cash acquired	(13,606)	—	—
Purchases of equity investments	(2,101)	—	—
Net cash used in investing activities	(215,107)	(530,714)	(273,447)
<b>Financing activities</b>			
Repurchase of common shares	(616,194)	(367,581)	(344,275)
Stock options exercised	13,121	16,190	16,293
Purchase of treasury shares	(6,141)	(4,243)	(2,839)
Excess tax benefits from stock-based compensation	—	—	9,053
Debt issuance costs	—	(583)	—
Net cash used in financing activities	(609,214)	(356,217)	(321,768)
Net increase (decrease) in cash and cash equivalents	131,806	(107,565)	39,170
Cash and cash equivalents at beginning of year	277,445	385,010	345,840
Cash and cash equivalents at end of year	\$ 409,251	\$ 277,445	\$ 385,010
<b>Supplemental cash flow information</b>			
Cash paid for income taxes (net of refunds)	\$ 195,869	\$ 254,619	\$ 212,514
Non-cash investing activities:			
Change in property and equipment included in accrued liabilities	\$ 11	\$ 4,562	\$ 2,446

*See accompanying notes to consolidated financial statements.*