lululemon athletica inc.

2017 ICR Conference • January 2017

FORWARD LOOKING STATEMENTS

This presentation contains "forward-looking statements" within the meaning of section 27A of the securities act of 1933 and section 21E of the securities exchange act of 1934 that involve risks, uncertainties and assumptions, such as statements regarding our future financial condition or results of operations, our prospects and strategies for future growth, the development and introduction of new products, and the implementation of our marketing and branding strategies. 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 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: an economic downturn or economic uncertainty in our key markets; increasing product costs and decreasing selling prices; our inability to anticipate consumer preferences and successfully develop and introduce new, innovative and updated products; our inability to accurately forecast customer demand for our products; our inability to manage our growth and the increased complexity of our business effectively; the fluctuating costs of raw materials; our reliance on and limited control over third-party suppliers to provide fabrics for and to produce our products; our highly competitive market and increasing competition; an unforeseen disruption of our information systems; our inability to deliver our products to the market and to meet customer expectations due to problems with our distribution system; our inability to cancel store leases if an existing or new store is not profitable; increasing labor costs and other factors associated with the production of our products in south and south-east asia or other countries; our inability to successfully open new store locations in a timely manner; our failure to maintain the value and reputation of our brand; our failure to comply with trade and other regulations; our competitors manufacturing and selling products based on our fabrics and manufacturing technology at lower prices than we can; our failure to protect our intellectual property rights; changes in tax laws or unanticipated tax liabilities or repatriation of earnings; 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, our 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 presentation and the company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

FY 16 ACCOMPLISHMENTS

Product

Fabric innovation

Craftsmanship and Function

Guest Experience

Success in new store concepts

Strengthened digital infrastructure and capabilities

Building global footprint

Brand & Community

Local authentic engagement

Growth of our collective globally in international markets

People

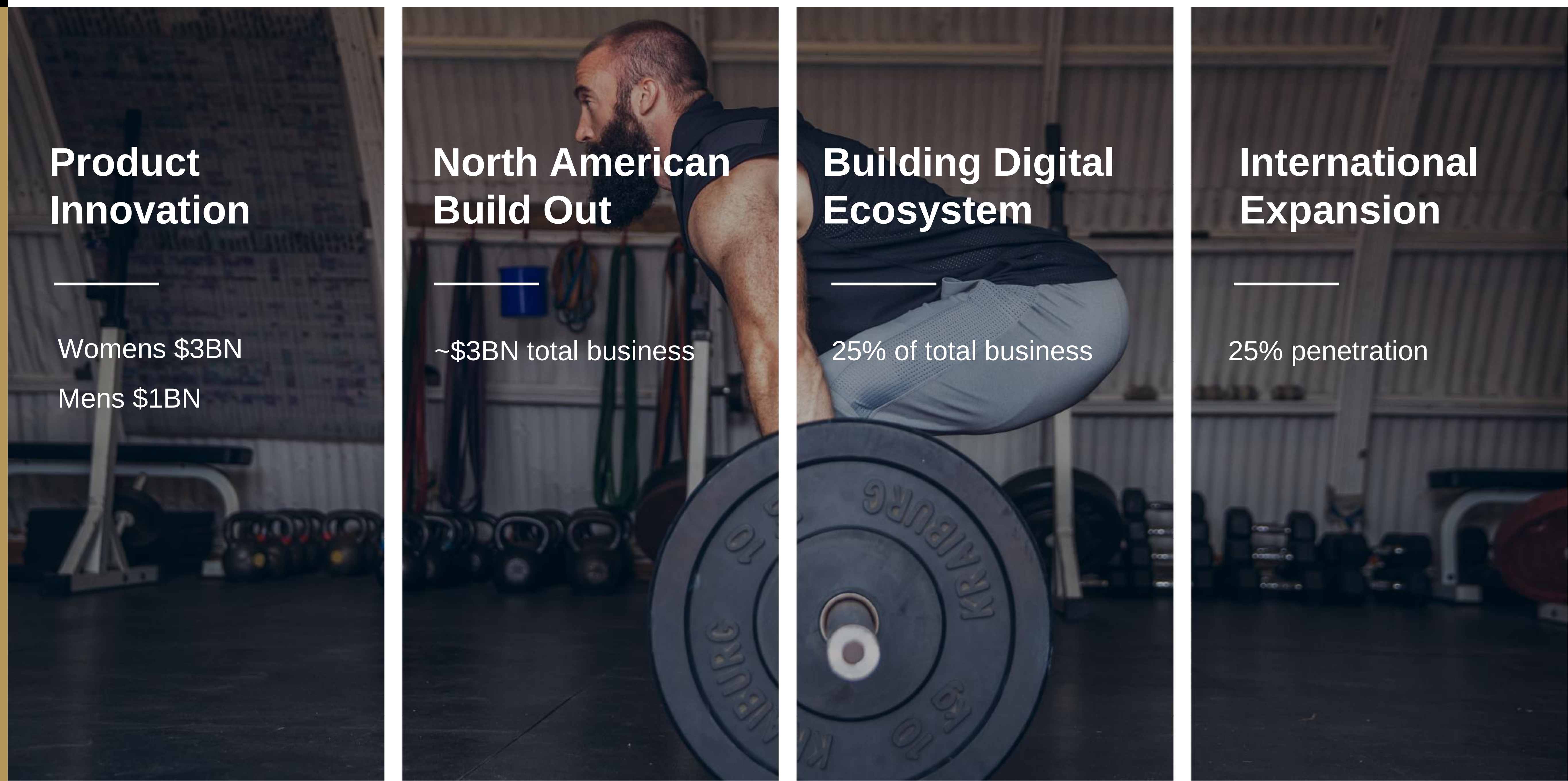
World Class Management Team

Operational Excellence

Significant Gross Margin recovery

Achieved key earnings inflection

GROWTH STRATEGIES



Product Innovation

Womens $3BN

Mens $1BN

North American Build Out

~$3BN total business

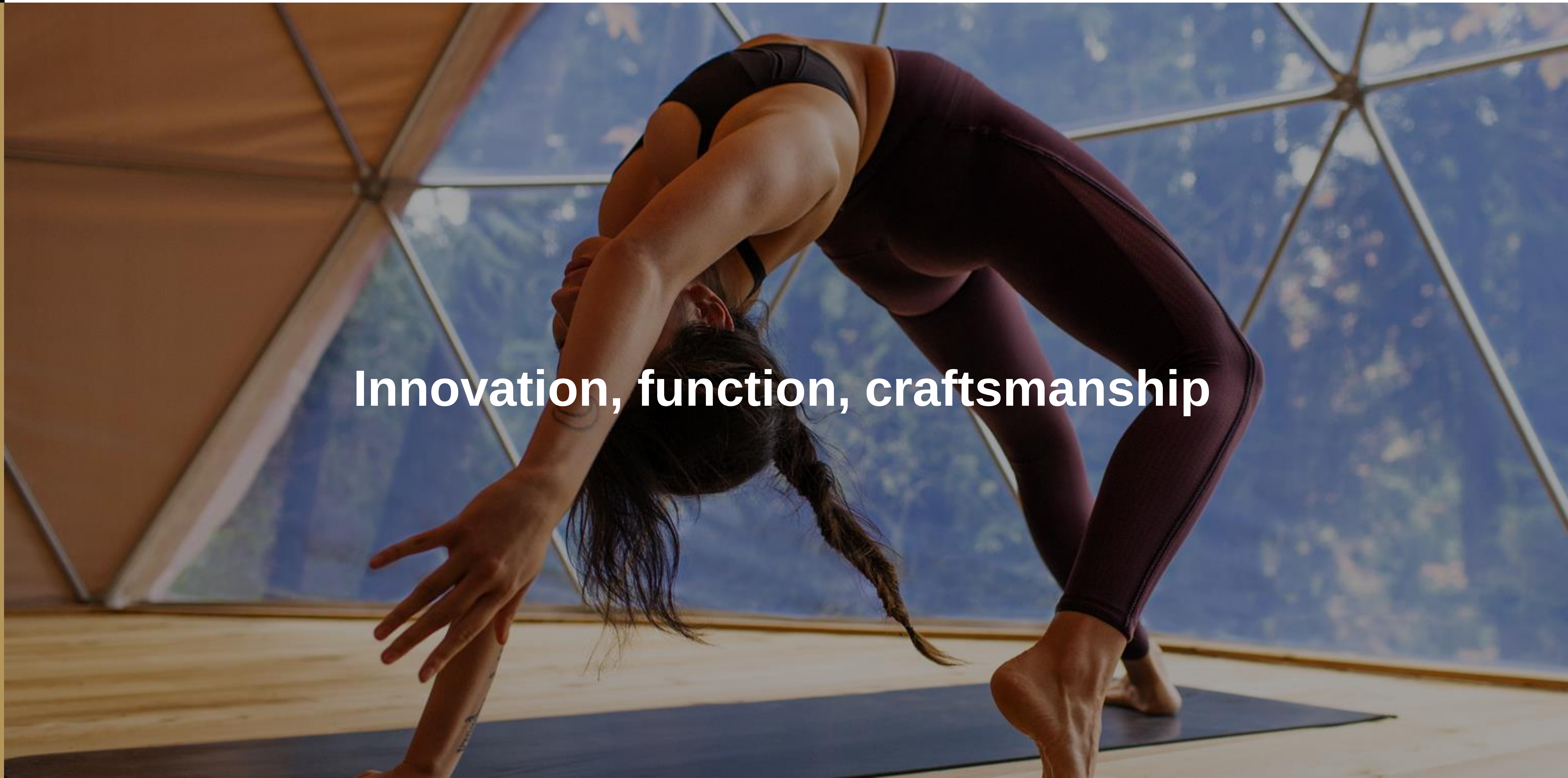
Building Digital Ecosystem

25% of total business

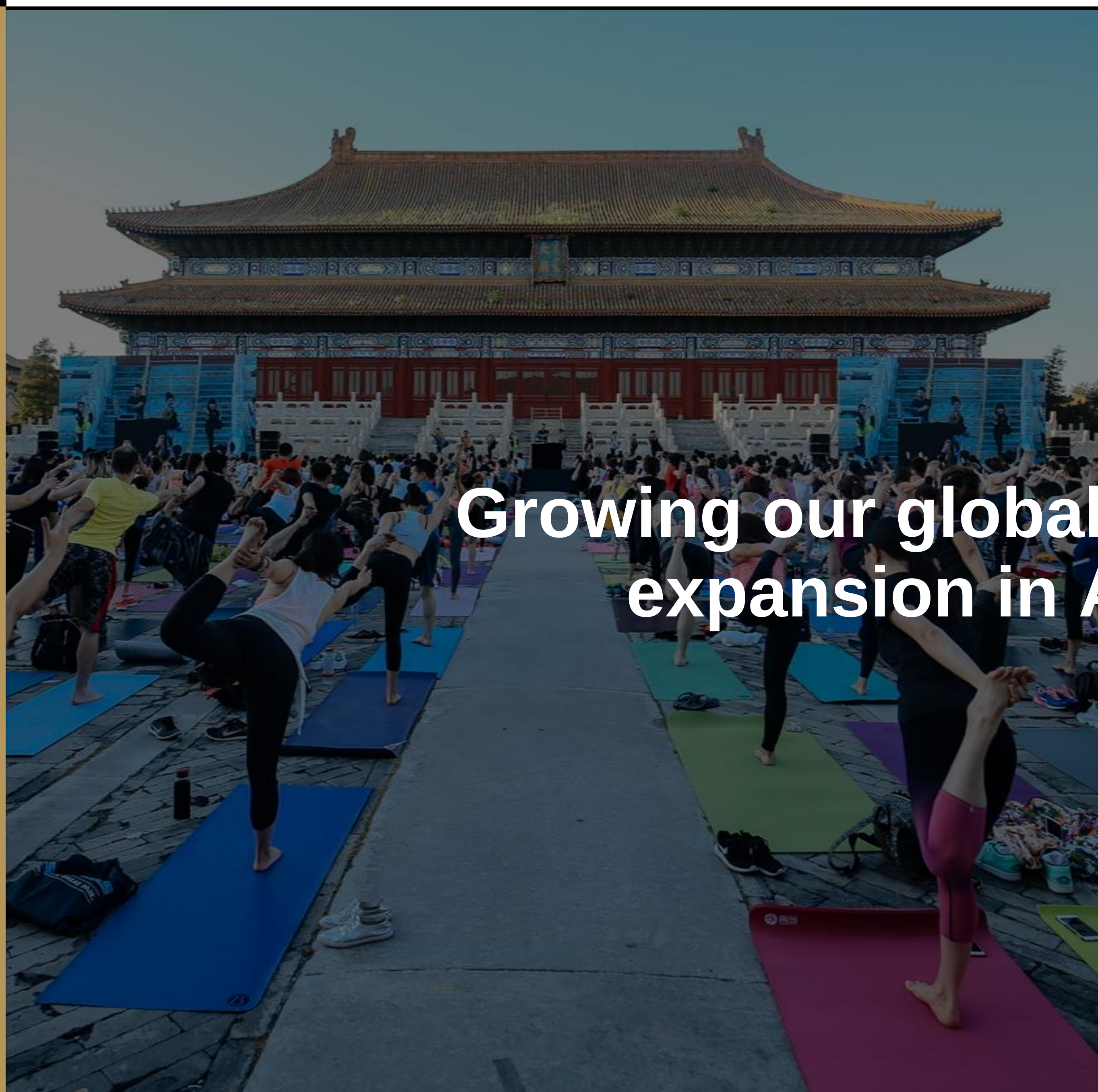
International Expansion

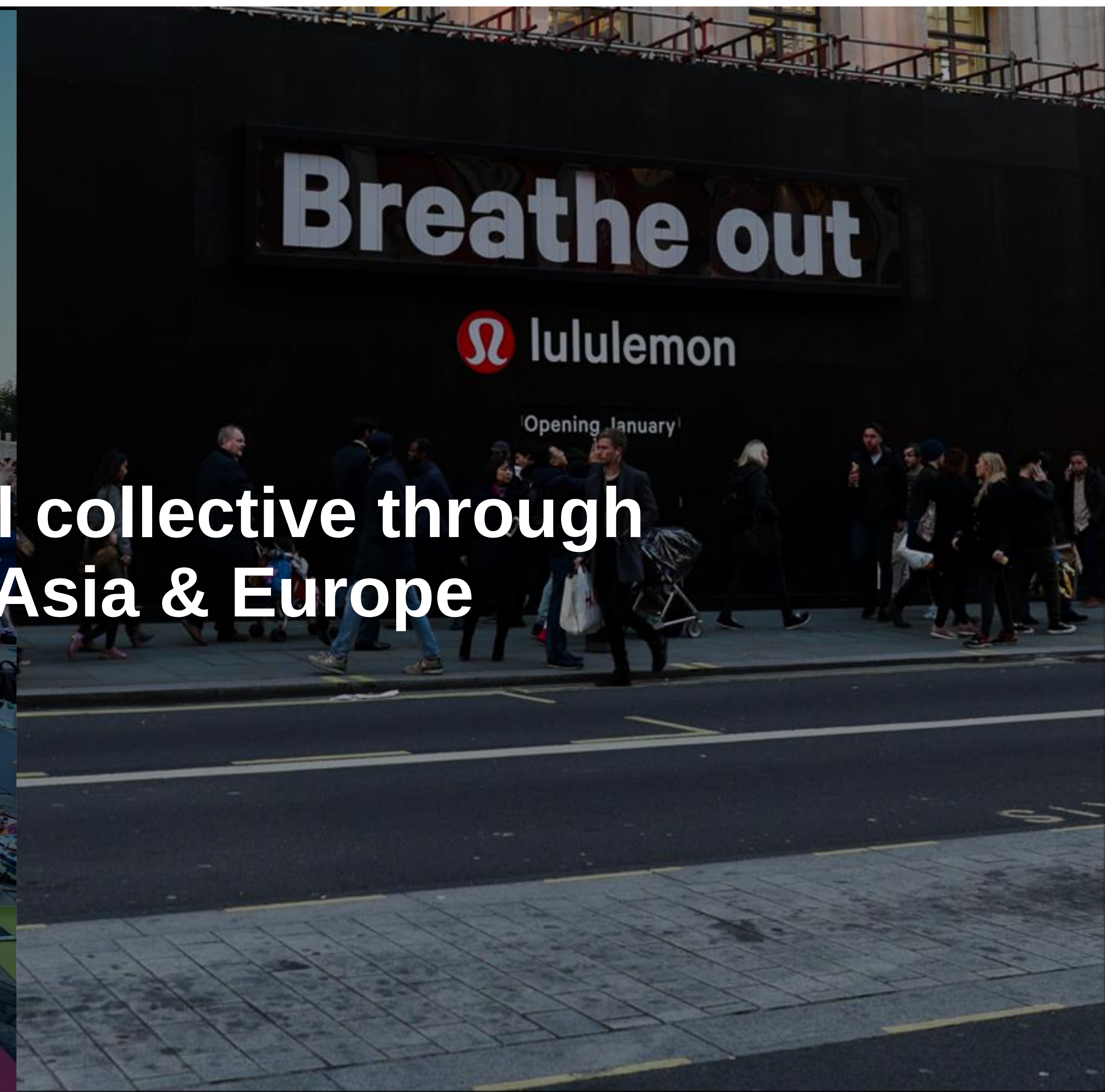
25% penetration

PRODUCT INNOVATION



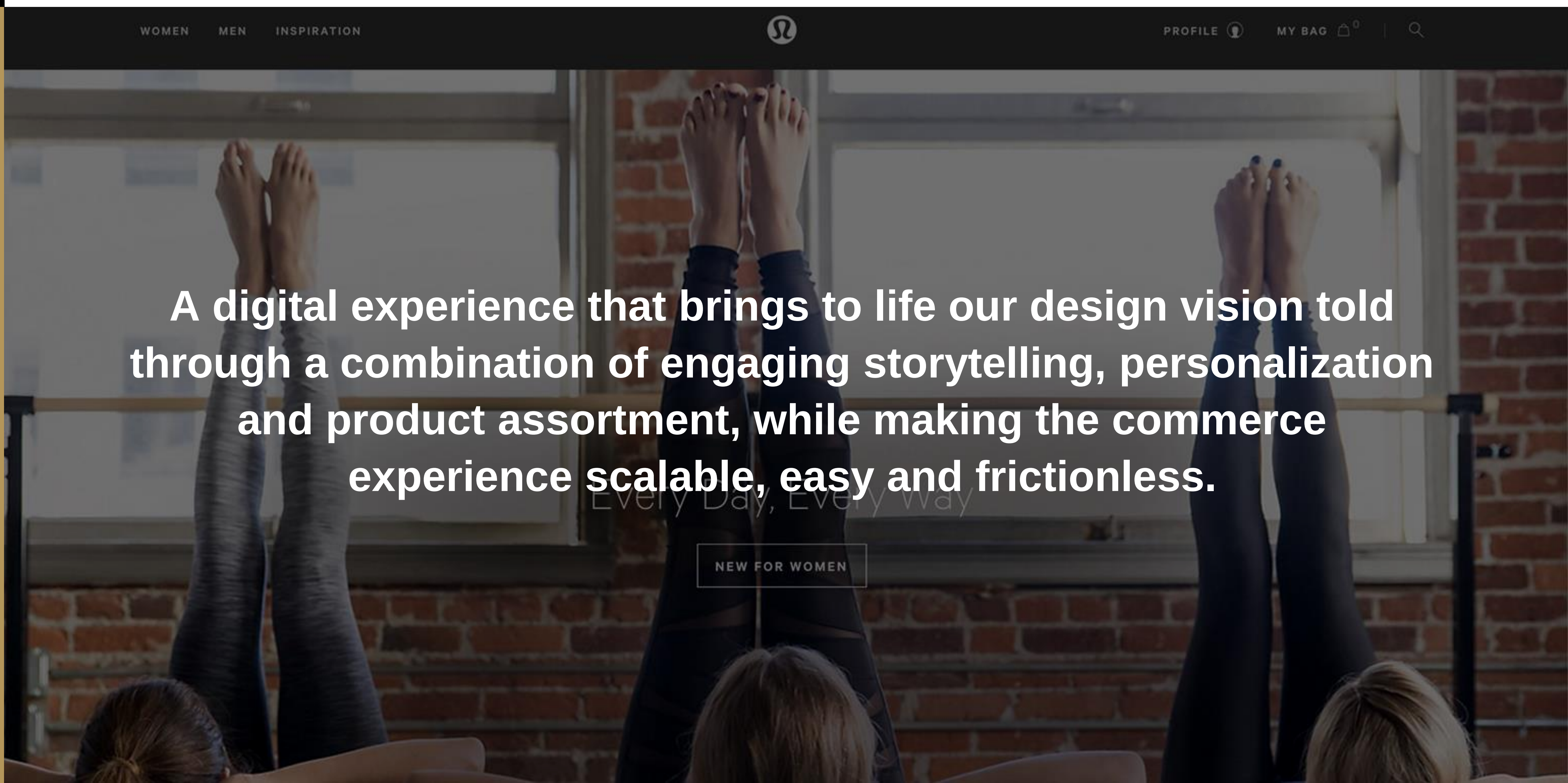
INTERNATIONAL EXPANSION





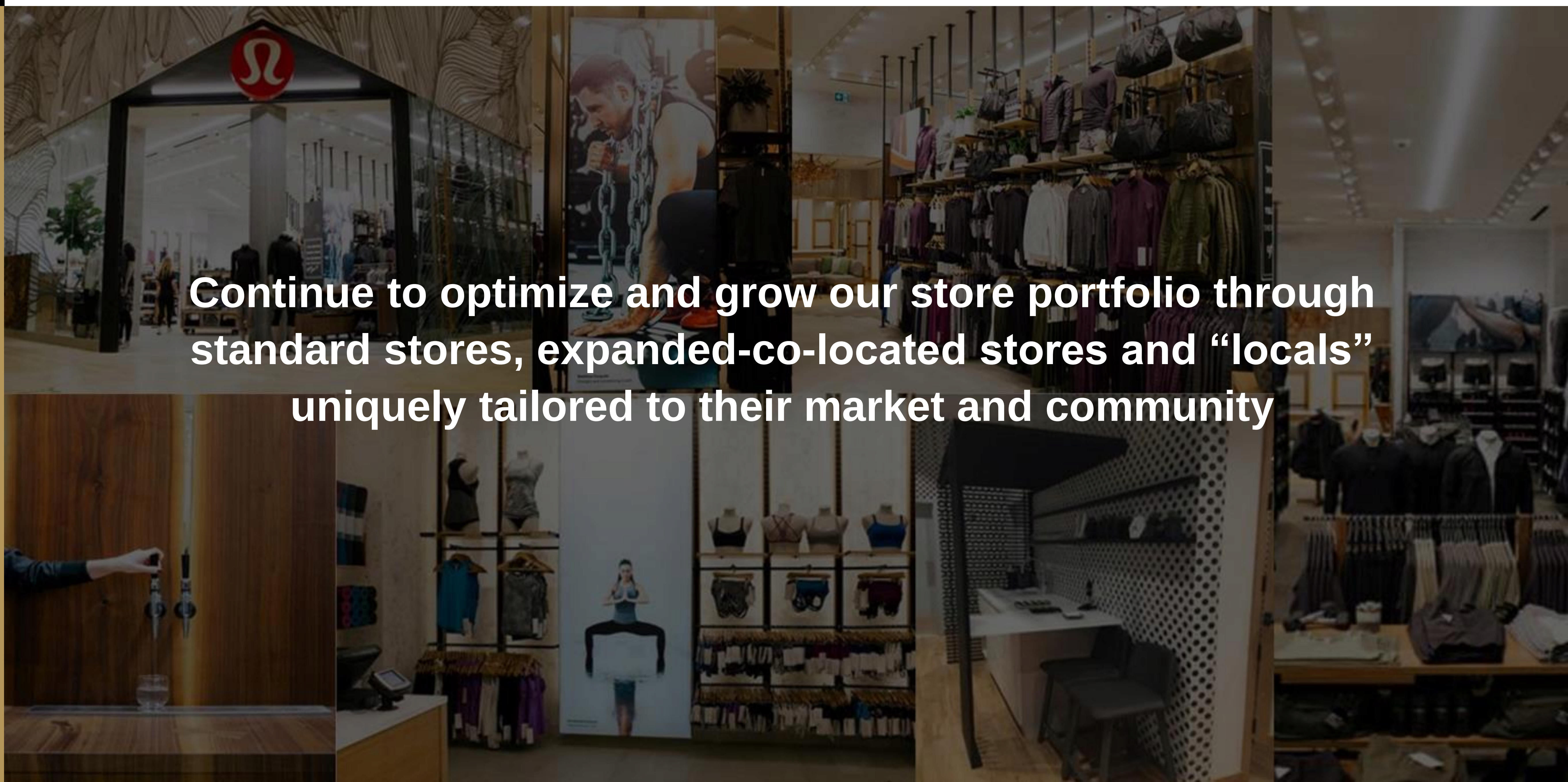
Growing our global collective through expansion in Asia & Europe

BUILDING OUR DIGITAL ECOSYSTEM



A digital experience that brings to life our design vision told through a combination of engaging storytelling, personalization and product assortment, while making the commerce experience scalable, easy and frictionless.

NORTH AMERICAN BUILD OUT



Continue to optimize and grow our store portfolio through standard stores, expanded-co-located stores and “locals” uniquely tailored to their market and community

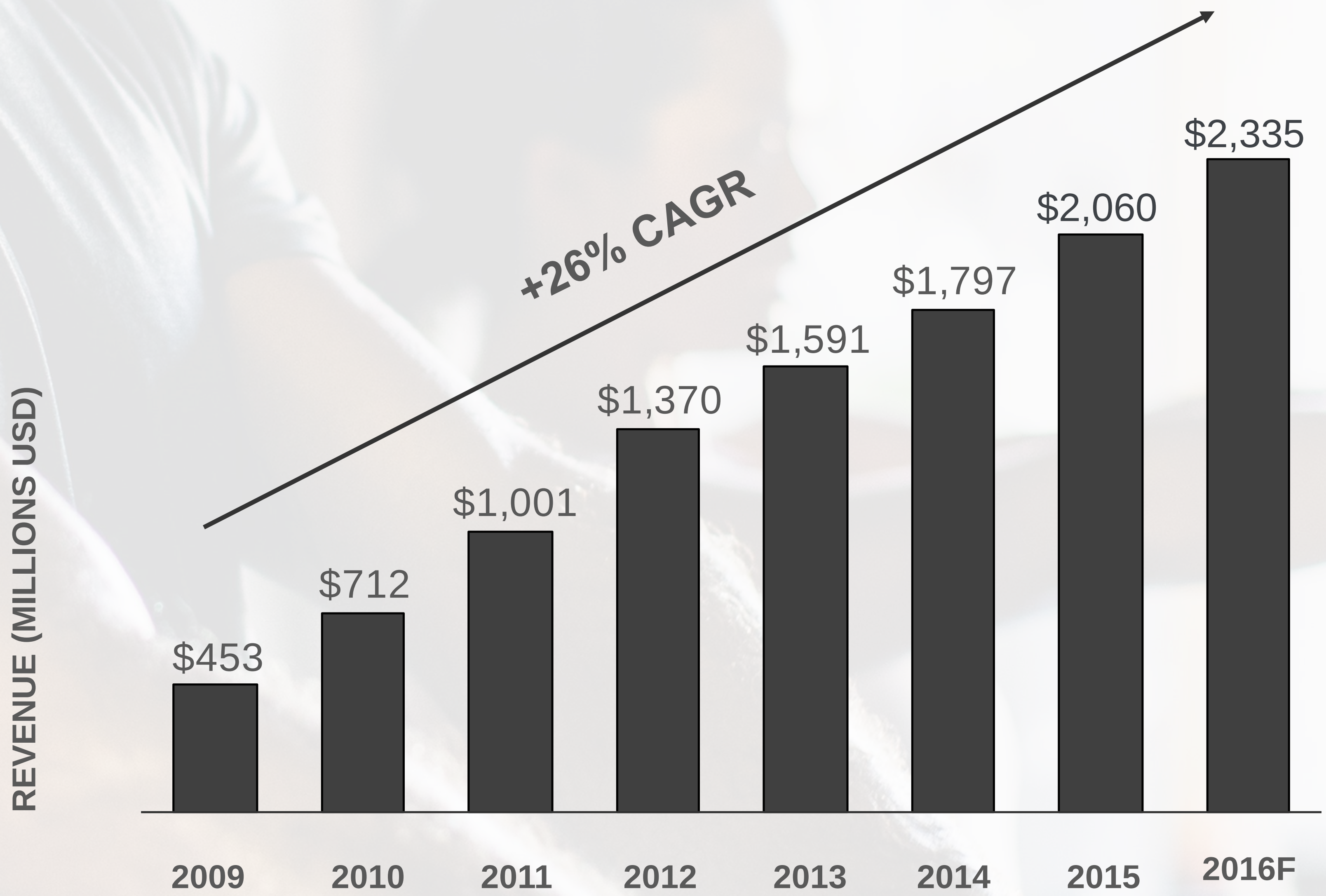

FINANCIAL OVERVIEW

REVENUE GROWTH PROFILE

We have delivered consistent double digit annual growth

Growth driven by:

- Strong comps across channels
- Continued outsized growth in men's
- New store openings



KEY STATISTICS

	FULL YEAR 2016F*
Revenue	$2.335 BILLION
Comps	+MSD
Mens Comp	+MID TEENS
Womens Comp	+MSD
Ecommerce Growth	+MID TEENS
New Stores**	+44
Total Stores**	407
Square Footage Growth	+11.5%

** Represents* midpoint of *updated guidance*
*** Company operated stores*

GUIDANCE UPDATE

	Previous Q4	Updated Q4
Revenue	$765 - $785 Million	$775 - $785 Million
Combined Comp	Mid Single Digits	Mid Single Digits
Diluted EPS	$0.96-$1.01	$0.99-$1.01

	Previous FY	Updated FY
Revenue	$2.320- $2.340 Billion	$2.330-$2.340 Billion
Combined Comp	Mid Single Digits	Mid Single Digits
Normalized Diluted EPS*	$2.11-$2.16	$2.14-$2.16
Diluted EPS	$2.18-$2.23	$2.21-$2.23

* EPS is normalized for tax adjustments as noted per our Q3 2016 Form 10Q

2017 DRIVERS

Revenue

- Continued top line growth delivered through:
  - Strong flow of product innovation
  - Digital
  - International Expansion

Gross Margin

- Sourcing and supply chain benefits continue into 2017
- Slight occupancy and depreciation deleverage due to international growth

SG&A

- Deliver modest leverage in SG&A
- Efficiencies and leverage in core business to fund key investments in Brand, Digital, and International

Thank you!

For more info: www.lululemon.com

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