lululemon

Q2 2018 EARNINGS

We're pleased to see the great results of Q2 across all parts of our business now extending into the current quarter. This ongoing success positions us to achieve our 2020 goals and beyond. Above all, we want to thank our educators and teams around the world who make this possible.

– Stuart Haselden, COO, lululemon

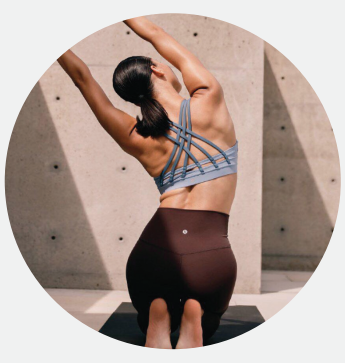
Q2 FINANCIAL HIGHLIGHTS

NET REVENUE	COMBINED COMP SALES	GROSS MARGIN	OPERATING MARGIN	EPS
$723.5M +25%	+19%[1]	54.8% +320bps[2]	18.5% +570bps[2]	$0.71 +82%[2]

Product

STRONG DOUBLE DIGIT COMP
Across Women's, Men's & Accessories

CONTINUE TO LEAD WITH INNOVATION



LEVERAGING OUR CORE PRODUCTS

- **ALIGN** and **ABC** pants
- Guests responding to **OTC STYLES**

WOMEN'S & MEN'S PANTS COMPED UP >30%

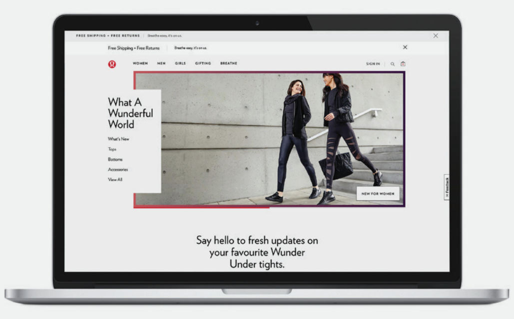
Digital

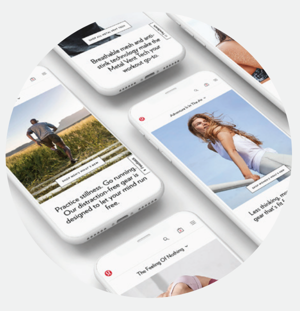
MOMENTUM REMAINS STRONG

+47%[1]
E-commerce Comp

+80%
Growth in email file

STRONG TRAFFIC
and conversion





Significant opportunities to continue
ENHANCING GUEST EXPERIENCE

GUEST ACQUISITION +30%

North America

Positive comps and
ACCELERATING STORE TRAFFIC

OPENED
4
Net new stores in Q2

COMPLETED
7
Co-located remodels

23 **SEASONAL STORES BY THE END OF Q2**

International

+50%[1] **ASIA**
Combined comps

CHINA E-COMMERCE COMP OVER 200%

EMEA
Combined comps:
STRONG DOUBLE DIGITS

OPENED FIRST STORE IN STOCKHOLM, SWEDEN

ENDED Q2 WITH
+10% STORE COMP AND 415 STORES GLOBALLY

UNDERPINNED BY OUR UNIQUE CULTURE, COMMUNITY AND PURPOSE-LED BRAND

CELEBRATING OUR 20TH BIRTHDAY

ANNOUNCED OUR NEW CEO CALVIN MCDONALD

DONATED OVER $1M THROUGH HERE TO BE ON INTERNATIONAL DAY OF YOGA

3RD ANNUAL SWEATLIFE LONDON, UK

REMAIN FIRMLY ON TRACK TO ACHIEVE 2020 GOAL OF $4B REVENUE

GUIDANCE

Q3 2018	FY 2018
$720M–$730M REVENUE	$3.185B–$3.235B REVENUE
$0.65–$0.67 DILUTED EPS	$3.45–$3.53 DILUTED EPS

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This infographic contains "forward-looking statements," such as statements our guidance and outlook statements, which are based on our current expectations but they involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated. These risk and uncertainties include (but are not limited to) our ability to maintain the value and reputation of our brand; our highly competitive market and increasing competition; our reliance on third-party suppliers to provide fabrics for and to produce our products; an economic downturn or economic uncertainty in our key markets; increasing product costs and decreasing selling prices; changing consumer habits and decreasing traffic in our stores; our ability to anticipate consumer preferences and successfully develop and introduce new, innovative and updated products; our ability to safeguard against and respond to cyber security breaches; our ability to expand internationally and to grow our e-commerce business globally; the fluctuating costs of raw materials; the imposition of new trade restrictions or changes in existing trade restrictions; changes in tax laws or unanticipated tax liabilities; increasing labor costs and other factors associated with the production of our products in South and South East Asia; fluctuations in foreign currency exchange rates; our exposure to various types of litigation; and other risks and uncertainties included in our most recent reports on Form 10-K and Form 10-Q filed with the SEC.

[1] These metrics are non-GAAP financial measures and are not intended to be considered in isolation or as a substitute to the financial information prepared and presented in accordance with GAAP. A reconciliation of these non-GAAP financial measures to their most directly comparable GAAP measure follows:

Constant dollar changes in comparable sales and revenues
The below changes in comparable sales and revenues are for Q2 2018 compared to Q2 2017.

	Combined Comped	E-Commerce Revenue	Asia Combined Comp
GAAP sales increase	20%	48%	55%
Adjustments due to foreign exchange rate changes	(1)	(1)	(5)
Increase in constant dollars	19%	47%	50%

[2] These changes in Gross Margin, Operating Margin, and Diluted EPS are as compared to the Adjusted Gross Profit, Adjusted Gross Margin and Adjusted Diluted EPS for Q2 2017.

The adjusted financial measures for Q2 2017 are non-GAAP financial measures and are not intended to be considered in isolation or as a substitute to the financial information prepared and presented in accordance with GAAP. A reconciliation of these non-GAAP financial measures for Q2 2017 to their most directly comparable GAAP measure follows:

Adjusted financial measures
In Q2 2017 we recognized certain costs in connection with the restructuring of our ivivva operations. The adjusted financial measures exclude those restructuring costs, and their related tax effects.

Q2 2017	Gross Margin (%)	Operating Margin (%)	Diluted EPS ($)
GAAP measure	51.2%	11.8%	$0.36
ivivva restructuring costs	0.4%	1.0	0.3
Adjusted non-GAAP measure	51.6%	12.8%	$0.39

Please refer to our second quarter earnings release which is available at http://investor.lululemon.com/ and to our quarterly report on Form 10-Q filed with the SEC on August 30, 2018 which is available at www.sec.gov.