Q4 2019 EARNINGS

2019 was a strong year for lululemon, as our teams executed against our Power of Three growth plan. We are now navigating an extraordinary environment, which is currently impacting our business. The strength of our brand and strong financial position will help us manage through the day-to-day, while continuing to effectively plan for and invest in our future. I want to thank our people around the globe for the results they delivered in 2019, and for their perseverance and commitment to our brand each and every day.

— **CALVIN MCDONALD**, CEO, lululemon

Power of Three

PRODUCT INNOVATION

+32% Men's Revenue

+17% Women's Revenue

OMNI GUEST EXPERIENCES

+41% Digital Revenue

+9% Comparable Store Sales

MARKET EXPANSION

+25% International Revenue

+19% North American Revenue

Q4 Earnings

NET REVENUE

$1.4B / +20%

COMBINED COMP SALES

+20%

GROSS PROFIT

$810.8M / +21%

GROSS MARGIN

58% / +70bps

DILUTED EPS

$2.28/+23%[1]

$4 BILLION FULL-YEAR 2019 NET REVENUE

lululemon.com

This infographic contains "forward-looking statements," such as 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 risks and uncertainties include (but are not limited to) our ability to maintain the value and reputation of our brand; the acceptability of our products to our guests; the recent COVID-19 coronavirus outbreak and related government, private sector, and individual consumer responsive actions; our highly competitive market and increasing competition; our reliance on and limited control over third-party suppliers to provide fabrics for and to produce our products; suppliers or manufacturers not complying with our Vendor Code of Ethics or applicable laws; the operations of many of our suppliers are subject to international and other risks; an economic downturn or economic uncertainty in our key markets; increasing product costs and decreasing selling prices; our ability to anticipate consumer preferences and successfully develop and introduce new, innovative and updated products; our ability to accurately forecast guest demand for our products; our ability to safeguard against security breaches with respect to our information technology systems; any material disruption of our information systems; our ability to have technology-based systems function effectively and grow our e-commerce business globally; changes in consumer shopping preferences and shifts in distribution channels; the fluctuating costs of raw materials; our ability to expand internationally in light of our limited operating experience and limited brand recognition in new international markets; global economic and political conditions and global events such as health pandemics; our ability to deliver our products to the market and to meet guest expectations if we have problems with our distribution system; imitation by our competitors; our ability to protect our intellectual property rights; our ability to source and sell our merchandise profitably or at all if new trade restrictions are imposed or existing trade restrictions become more burdensome; changes in tax laws or unanticipated tax liabilities; our ability to manage our growth and the increased complexity of our business effectively; our ability 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; our ability to successfully open new store locations in a timely manner; our ability to comply with trade and other regulations; the service of our senior management; seasonality; fluctuations in foreign currency exchange rates; conflicting trademarks and the prevention of sale of certain products; our exposure to various types of litigation; actions of activist stockholders; anti-takeover provisions in our certificate of incorporation and bylaws; and other risks and uncertainties included in our most recent report on Form 10-K filed with the SEC.

Please refer to our fourth quarter earnings release which is available at http://investor.lululemon.com/ and to our Report on Form 10-K filed with the SEC on March 26, 2020 which is available at www.sec.gov.

Shifted Calendar for Comparable Sales

Due to the 53rd week in fiscal 2018, comparable sales are calculated on a one week shifted basis in fiscal 2019. Changes in total comparable sales, comparable store sales, and direct to consumer net revenue are calculated on a one week shifted basis such that the 13 weeks ended February 2, 2020 are compared to the 13 weeks ended February 3, 2019 rather than January 27, 2019.

Non-GAAP measures

[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:

Adjusted financial measure

The adjusted financial measure excludes the amounts recognized in connection with U.S. tax reform and taxes on repatriation of foreign earnings. Please refer to Note 15 to the audited consolidated financial statements included in Item 8 of Part II of our Report on Form 10-K filed with the SEC on March 26, 2020 for further information on these adjustments.

Q4 2018	Diluted EPS ($)
GAAP measure	1.65
Tax on repatriation of earnings	0.18
U.S. Tax Reform	0.02
Adjusted non-GAAP measure	1.85