



Fall 2024 Bull and Bear Presentation



# Game Plan

Base	Bull	Bear
Company Information & History	Moat	Competitor Analysis
Revenue Breakdown	Growth Opportunities	Risk Factors
Interpretation of Financial Statements	Valuation & Conclusion	Valuation & Conclusion
Capital Allocation		
Management		
Value Bands & Intraportfolio Analysis		



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**Emily De La Rosa**

# **Company Information & History**

# What is Lululemon?



**Lululemon is an athleisure apparel & accessory company that produces athleisure wear for the fit**



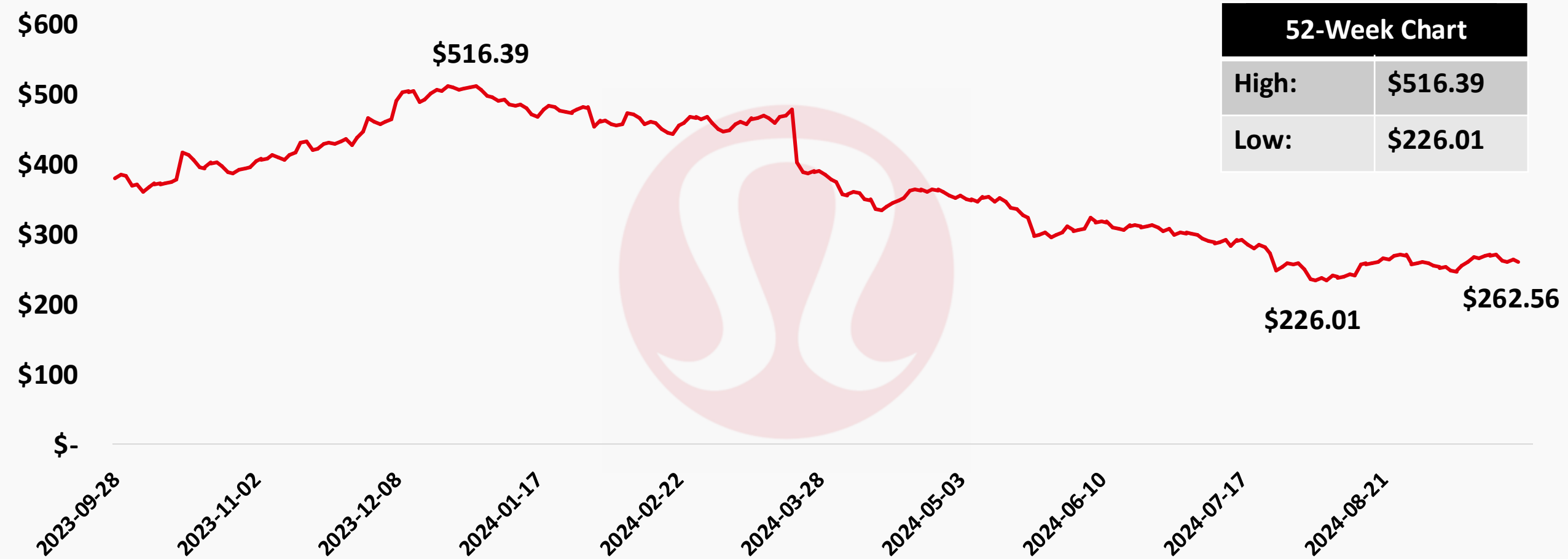


# Company Information & Position

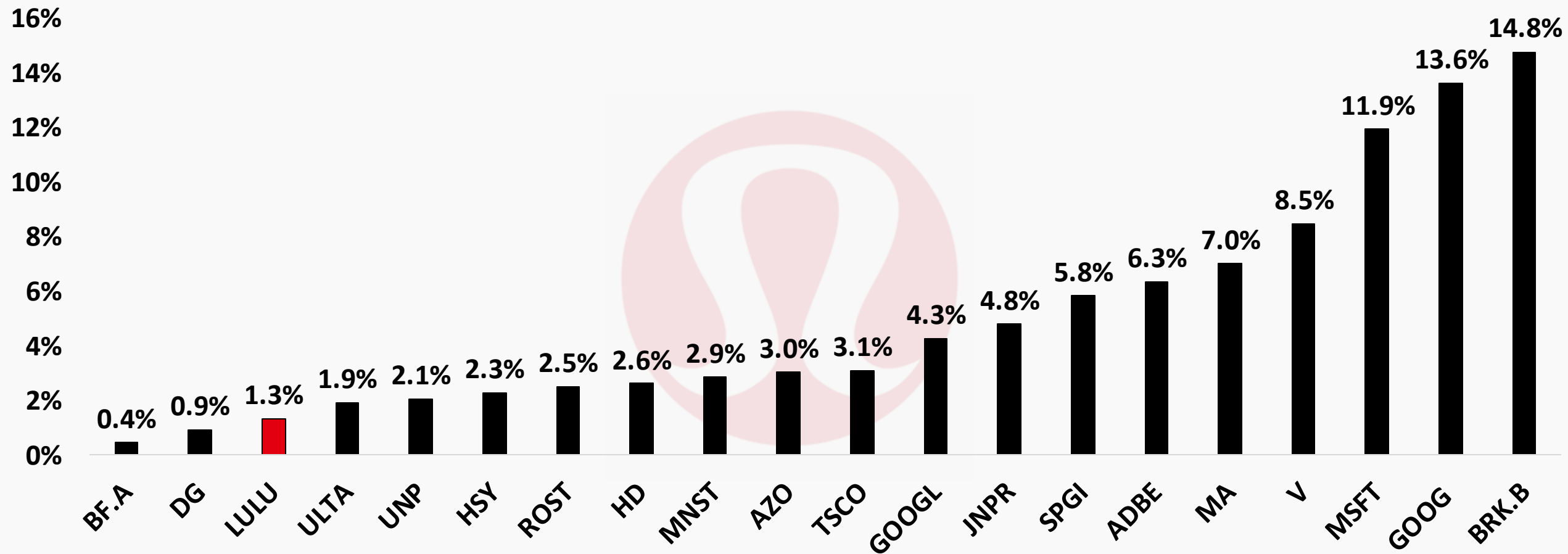
<b>Ticker Symbol</b>	<b>NASDAQ: LULU</b>
<b>Market Capitalization</b>	<b>\$33.24 Billion</b>
<b>Employee Count</b>	<b>38,000</b>
<b>Original Position</b>	<b>100 Shares at \$31,500</b>
<b>Current Market Value</b>	<b>\$26,256</b>
<b>Headquarters</b>	<b>Vancouver, Canada</b>
<b>Located In</b>	<b>25 Countries</b>



# 52 Week Price Performance



# Portfolio



# History



Lululemon was founded  
by Chip Wilson

1998

1998

First standalone retail store  
opens in Vancouver's  
Kitsilano neighborhood

Expanded into the U.S.  
opening stores in NY and CA

2005

2007

Lululemon went public on the  
NASDAQ exchange with an  
Initial public offering with a  
\$327 M valuation



# History



Former Co-president of Starbucks Christine Day is hired as CEO

2008

2013

Chip Wilson resigns as chairman & the President of TOM'S Shoes, Lauren Potdevin is appointed CEO

Lululemon opened its first European store in Covent Garden, London

March 2014

October 2014

Lululemon opened their first store in Shanghai, China

# History



Lauren Potdevin resigns for misconduct. Calvin McDonald appointed CEO

2018

2020

Purchased Mirror for \$500M

Lululemon became the official outfitter for team Canada at the 2022 Winter Olympics

2021

2023

Mirror was discontinued

Lululemon announces partnership with Peloton and form a partnership with the summer olympics

2024



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Jenna Lindemann



# Revenue Breakdown

# Strategy



## Sales Channels

### E- Commerce

Sales of 45%

### Other Channels

- Temporary Locations
- Wholesale
- Like New
- License and Supply

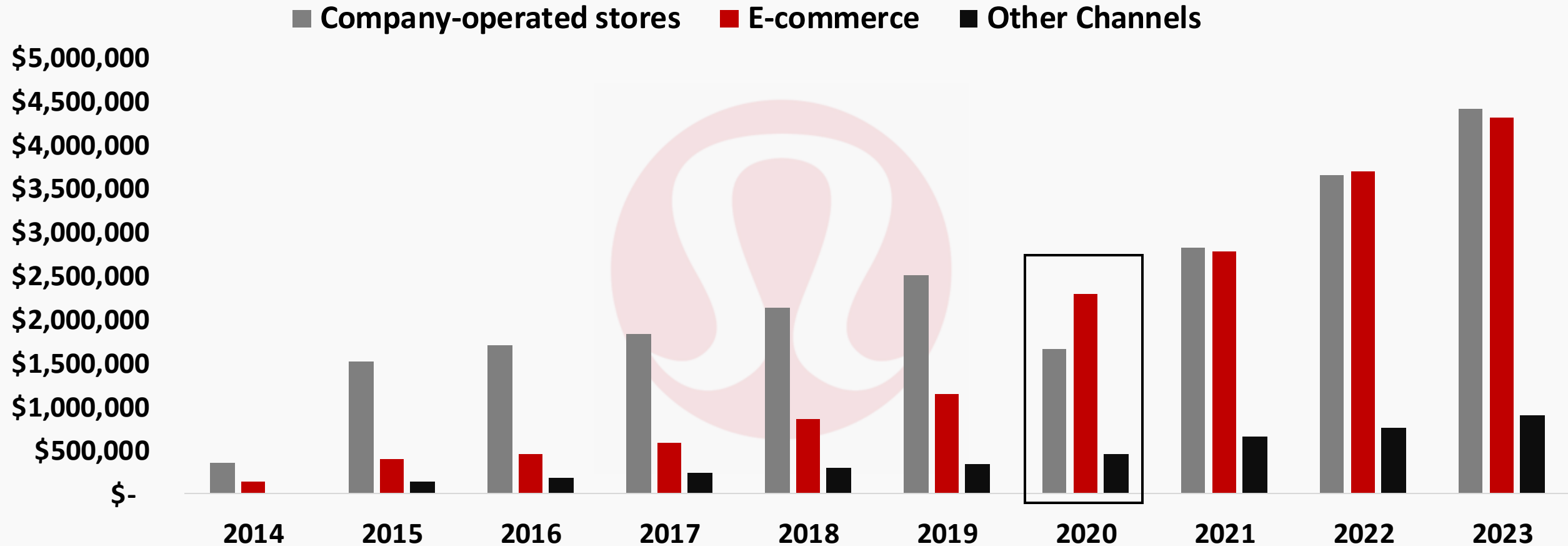
Sales of 9%

### Company- Operated Stores

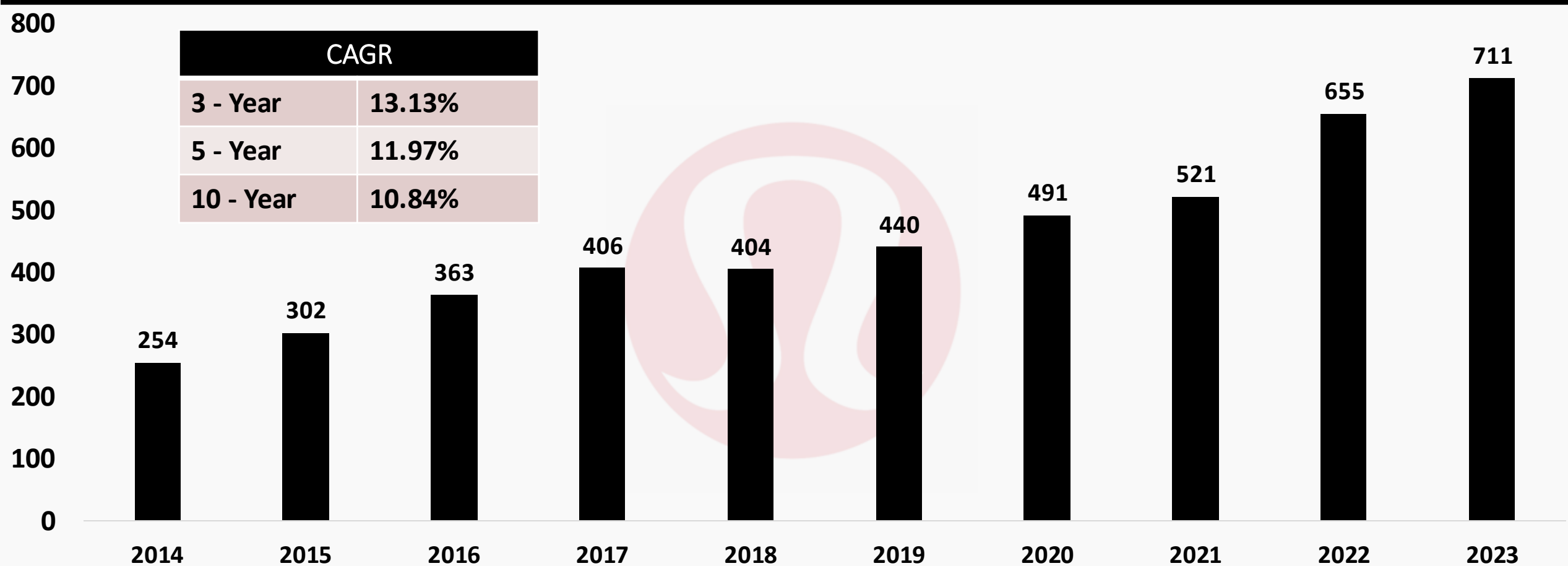
Sales of 46%



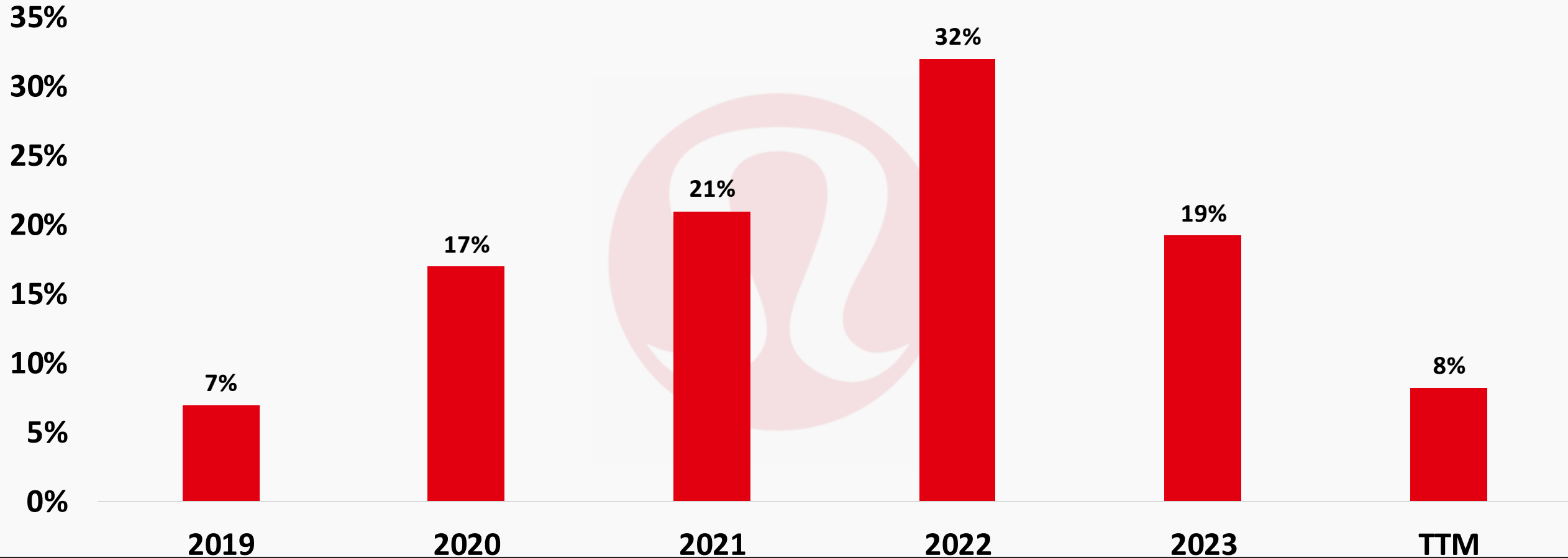
# Sales Channel Growth



# Store Count



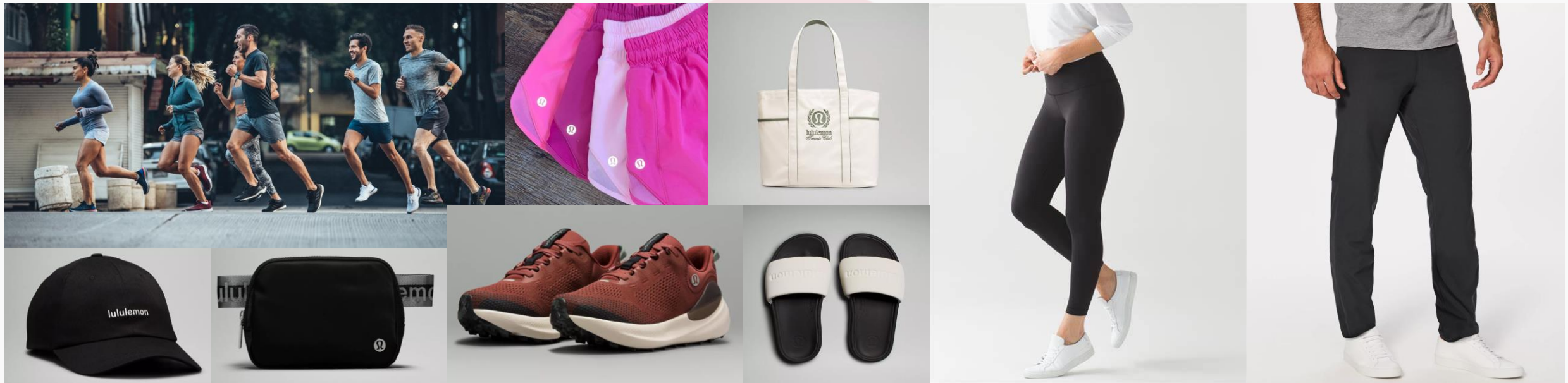
# Same Store Sale %





# Products Offered

- Lululemon is promoting a healthy lifestyle
- Designed for: yoga, running, training, and most other activities





# Products Categories



**Other Categories**

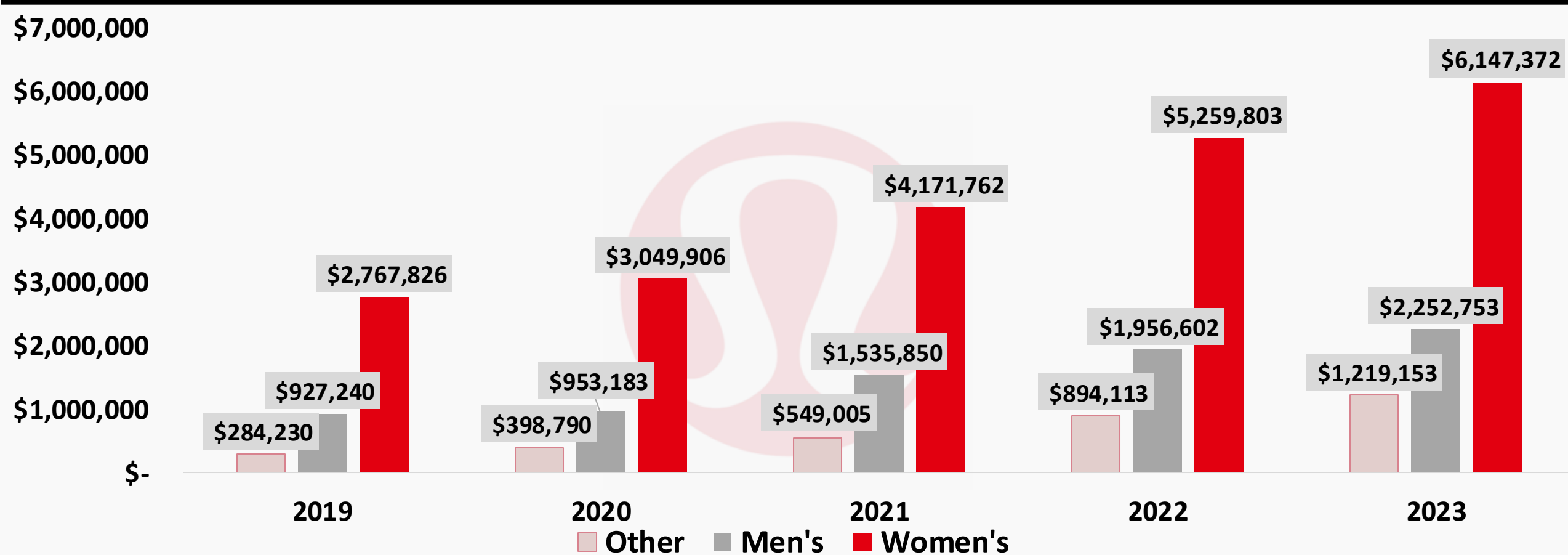
**Men's Products**



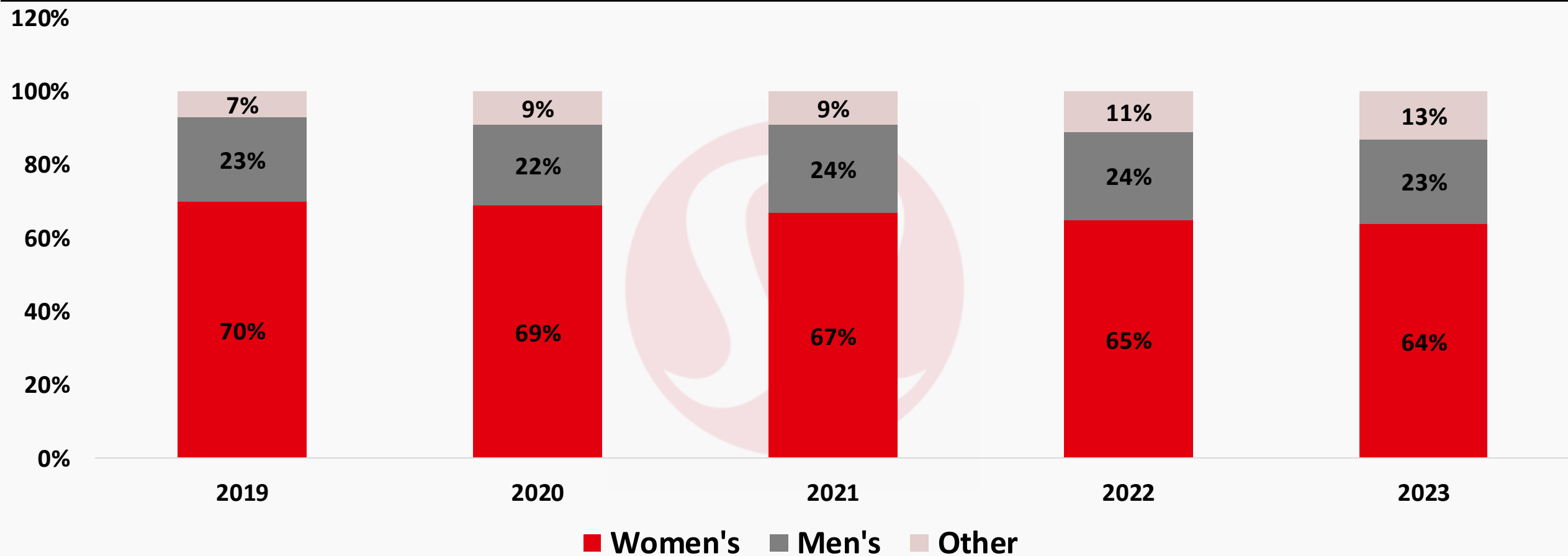
**Women's Products**



# Category Growth



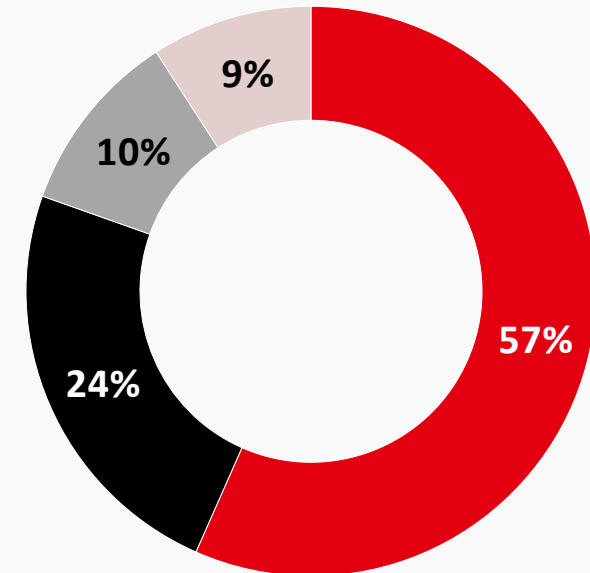
# Category Mix



# Geographies



Geographic Distribution 2023



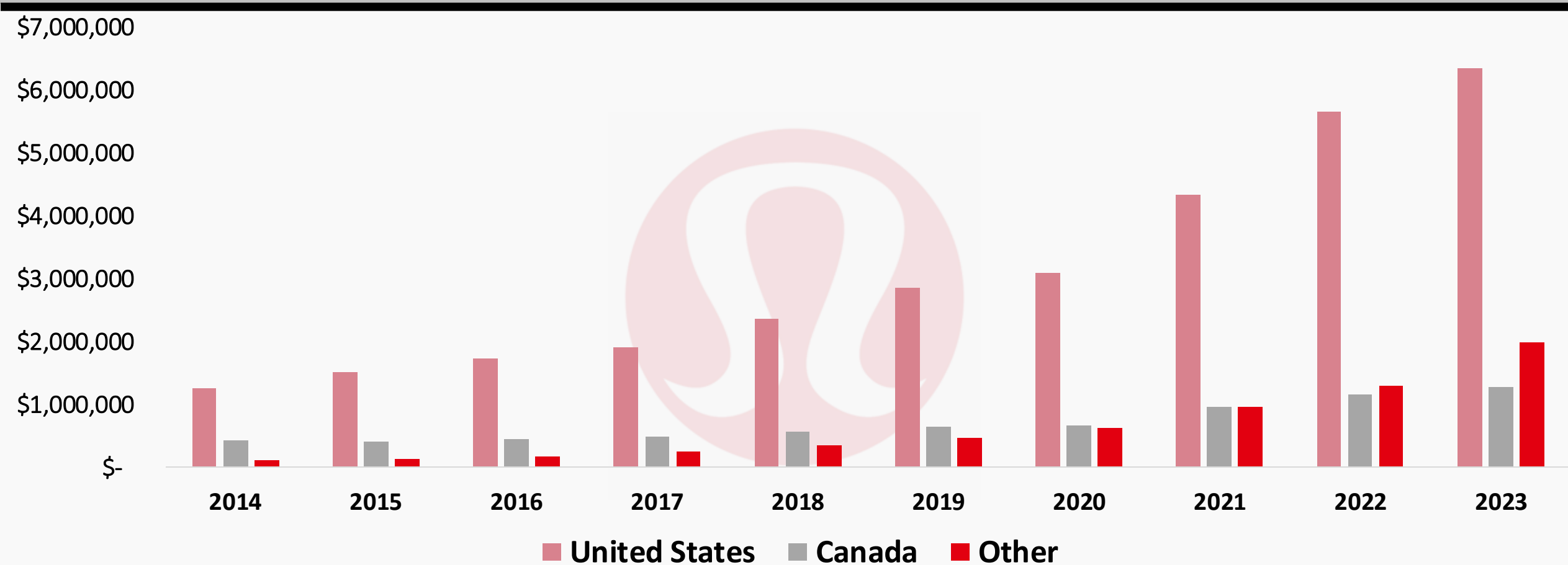
■ United States

■ Canada

■ People's Republic of China

■ Other Geographic Areas

# Geographical Growth



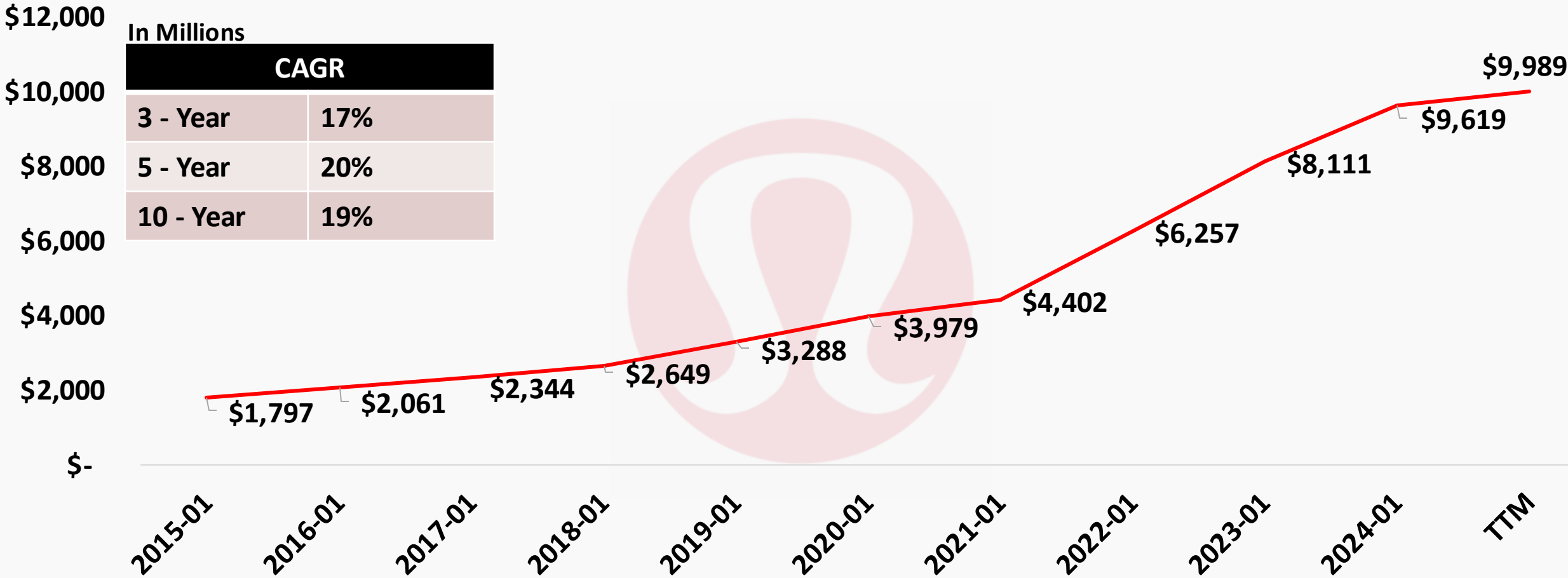


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**Ryker Purdy**

# Interpretation of Financial Statements

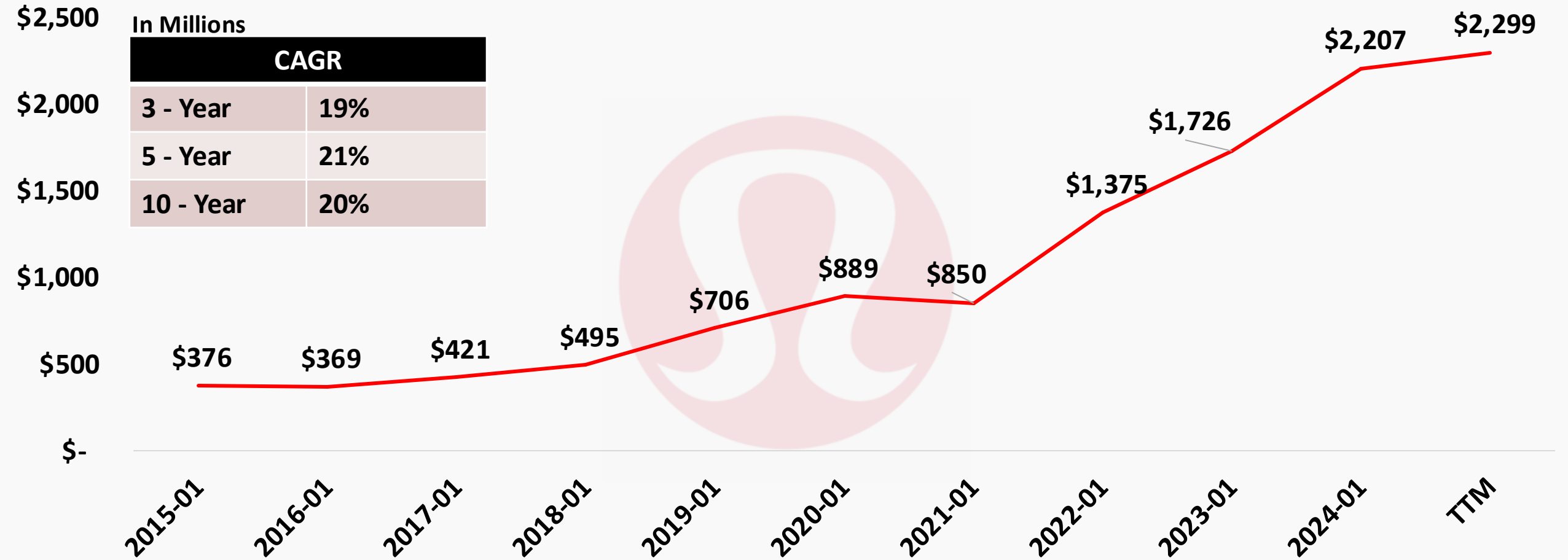
# Revenue





# Operating Income

Operating Income = Gross Profit – Total Operating Expenses

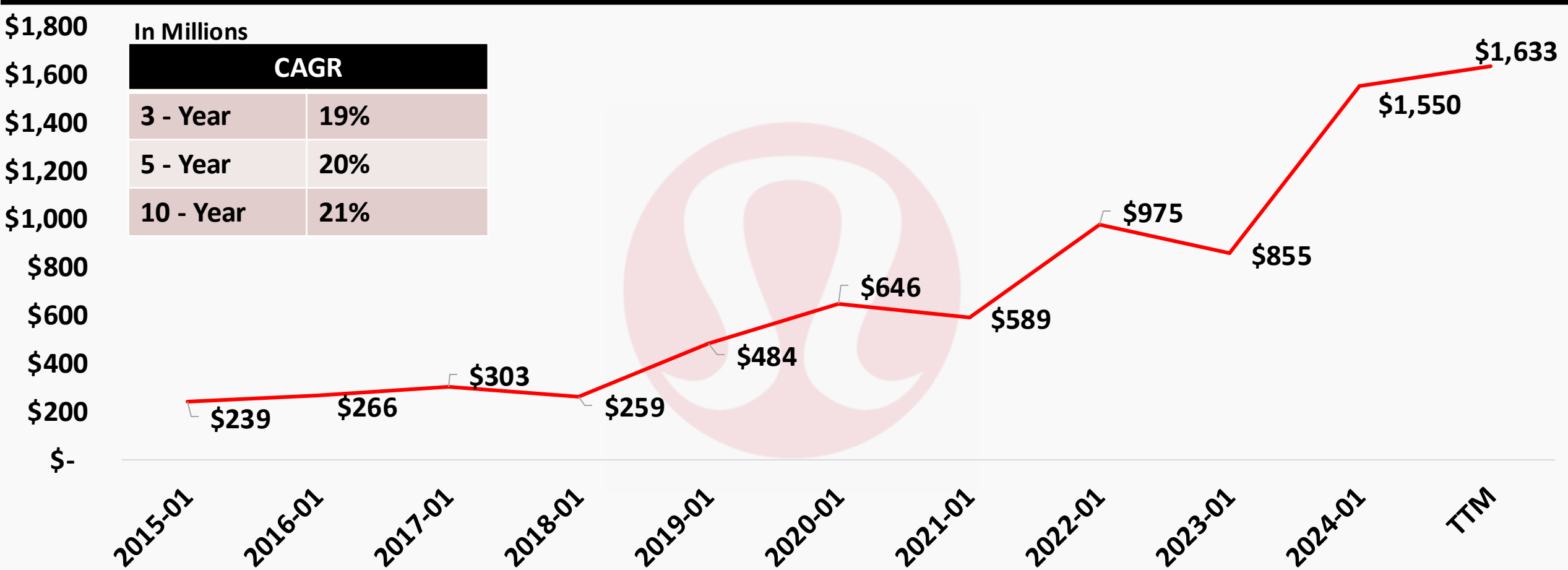






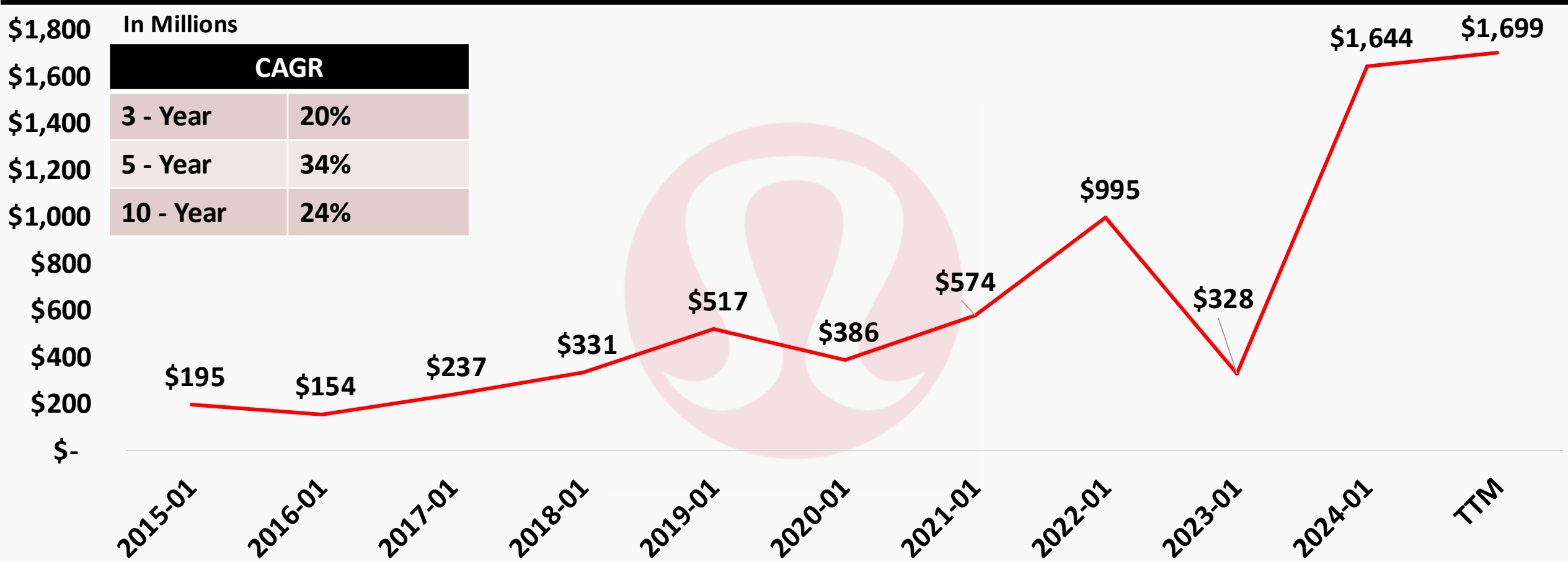
# Net Income

Net Income = Revenue - Expenses





# Free Cash Flow





# Earnings Per Share

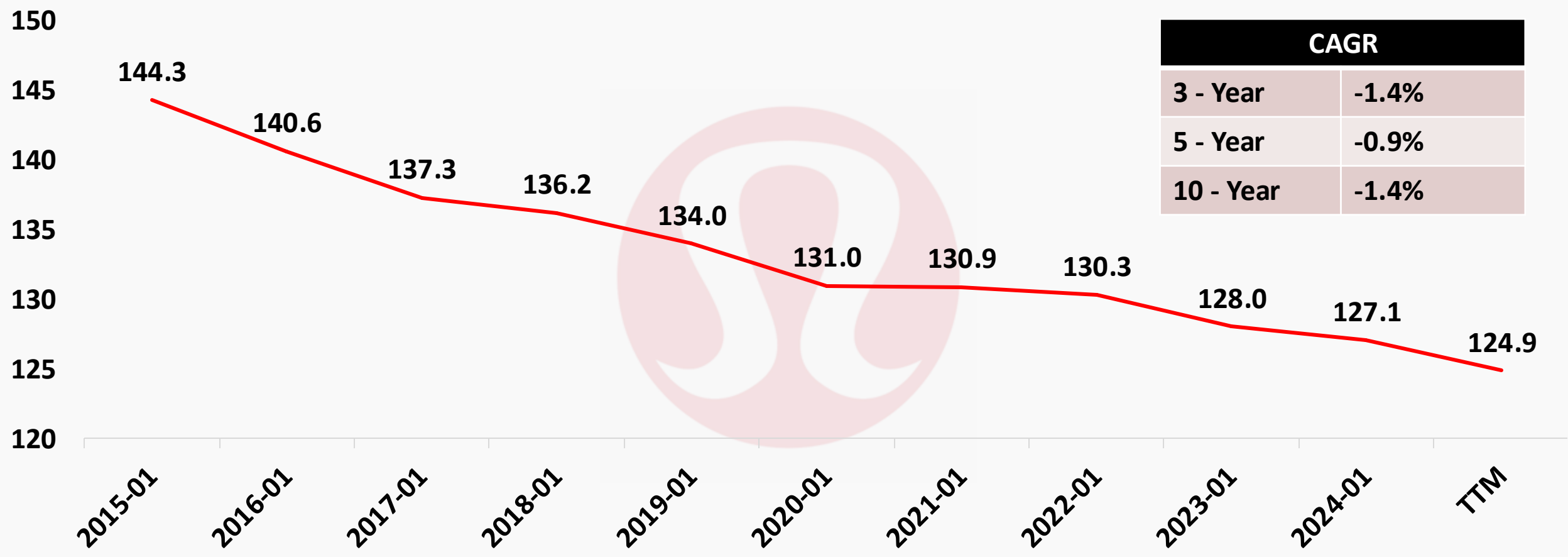
Earnings Per Share = Net Income/Shares Outstanding





# Shares Outstanding

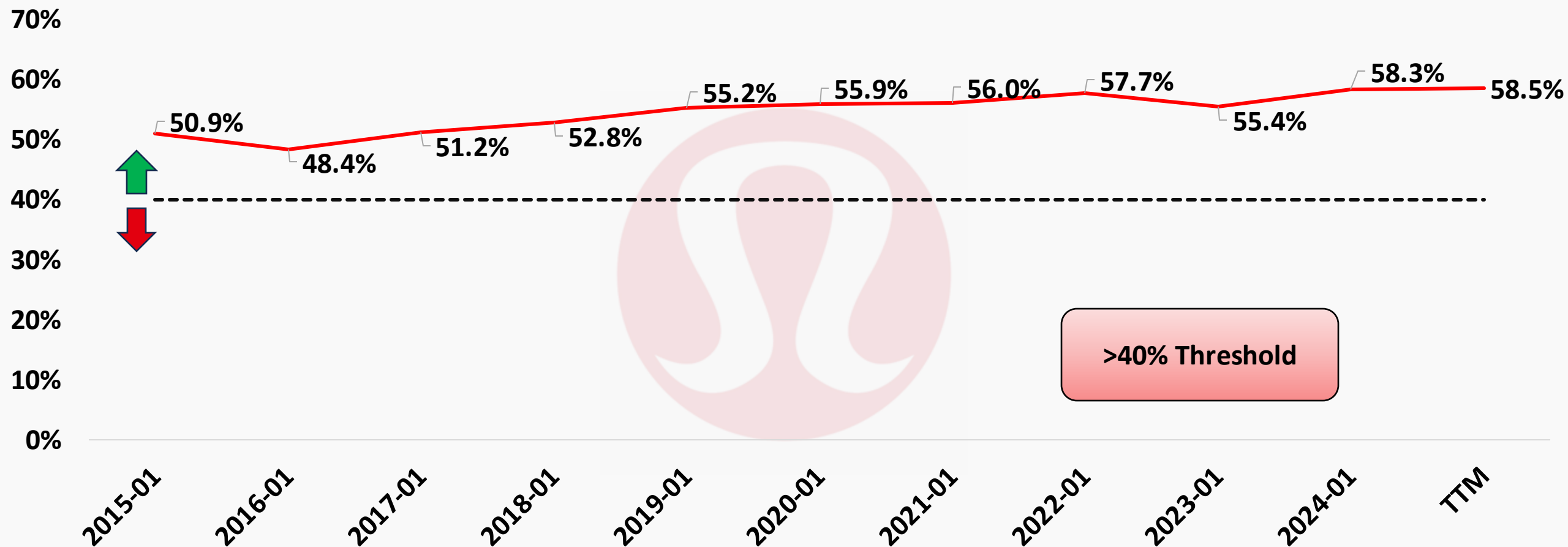
Shares Outstanding = Shares Issued - Shares Repurchased



CAGR	
3 - Year	-1.4%
5 - Year	-0.9%
10 - Year	-1.4%

# Gross Margin

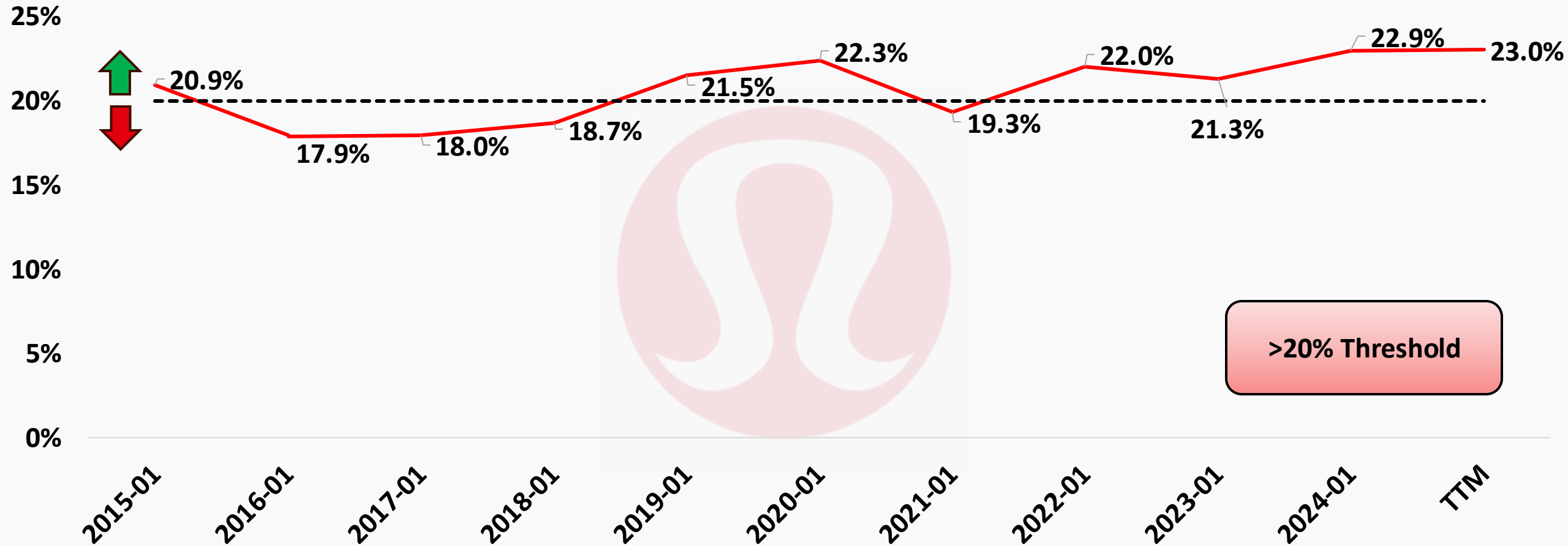
Gross Margin = Gross Profit/Revenue





# Operating Margin

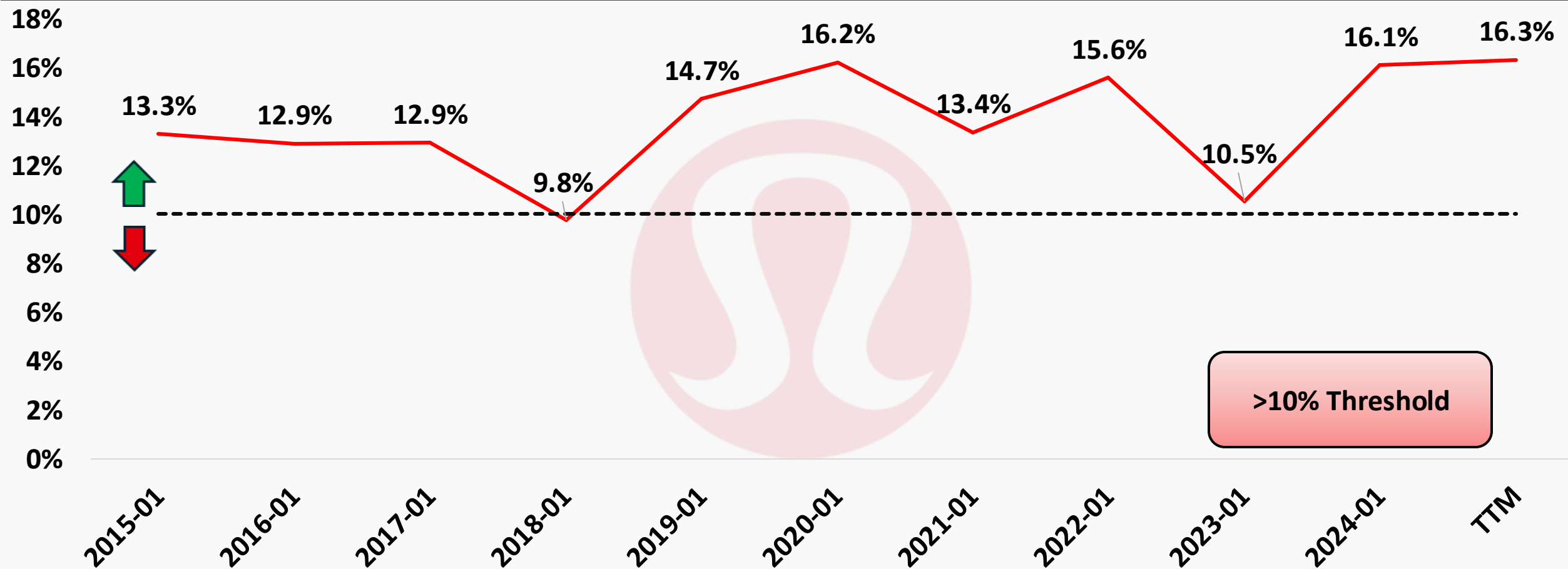
Operating Margin = Operating Income/Revenue





# Net Margin

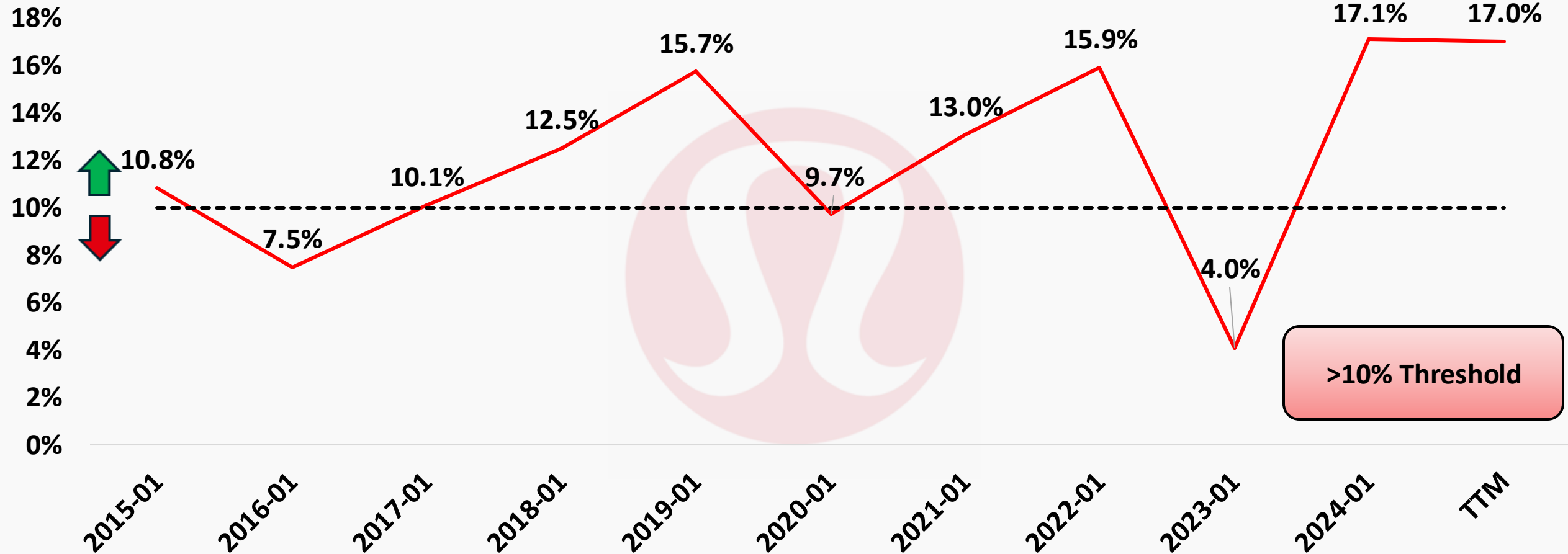
Net Margin = Net Income/Revenue





# Free Cash Flow Margin

Free Cash Flow Margin = Free Cash Flow/Revenue

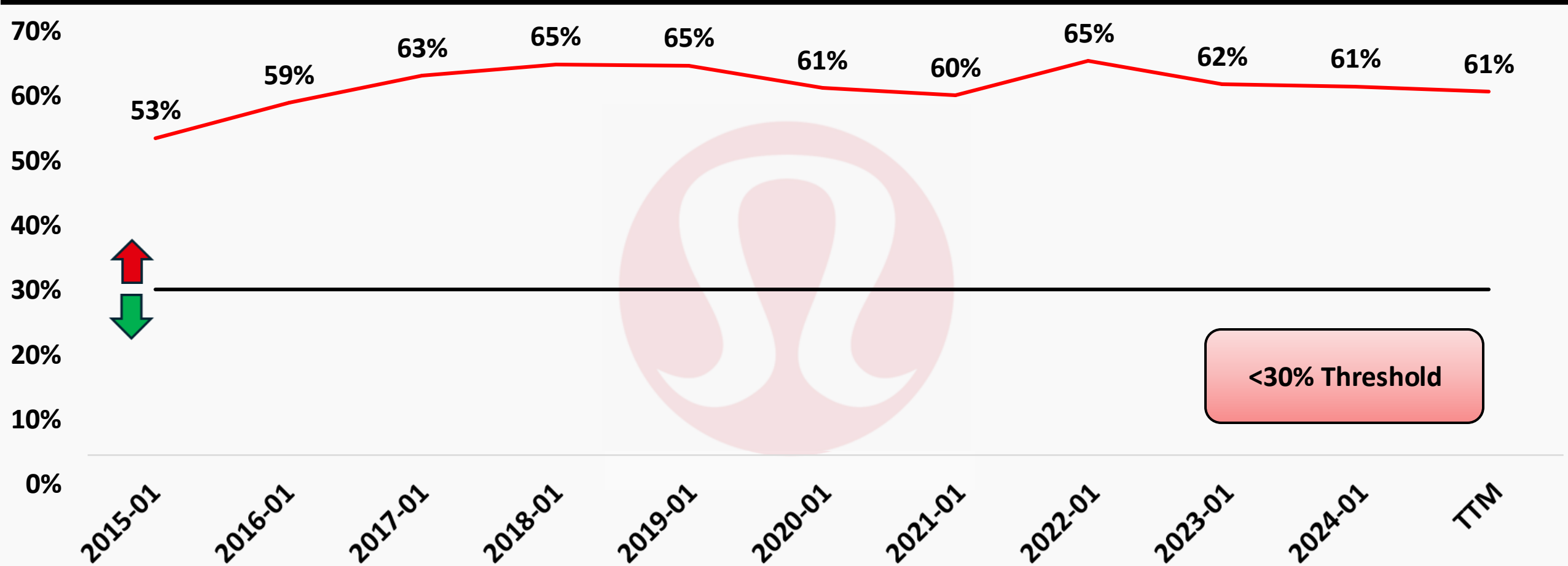






# SG&A as a % of Gross Profit

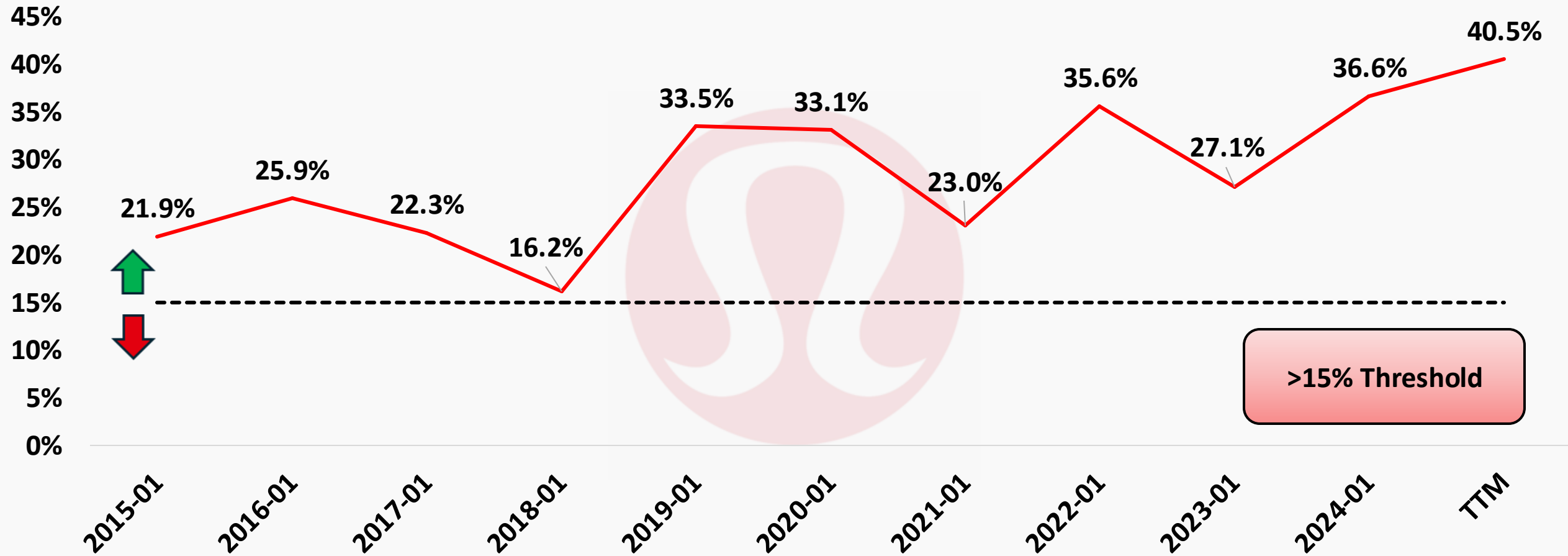
Selling General & Administrative Expenses





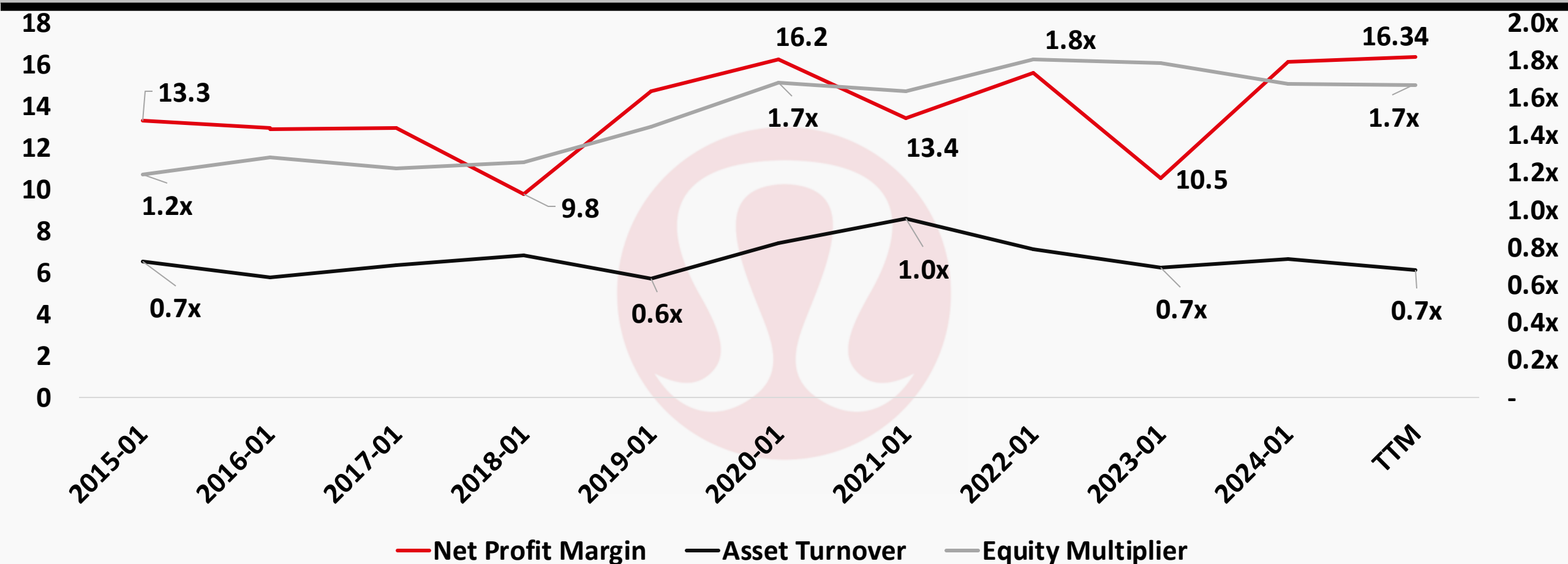
# Return On Equity

Return On Equity = Net Income/Shareholders Equity



# DuPont Analysis

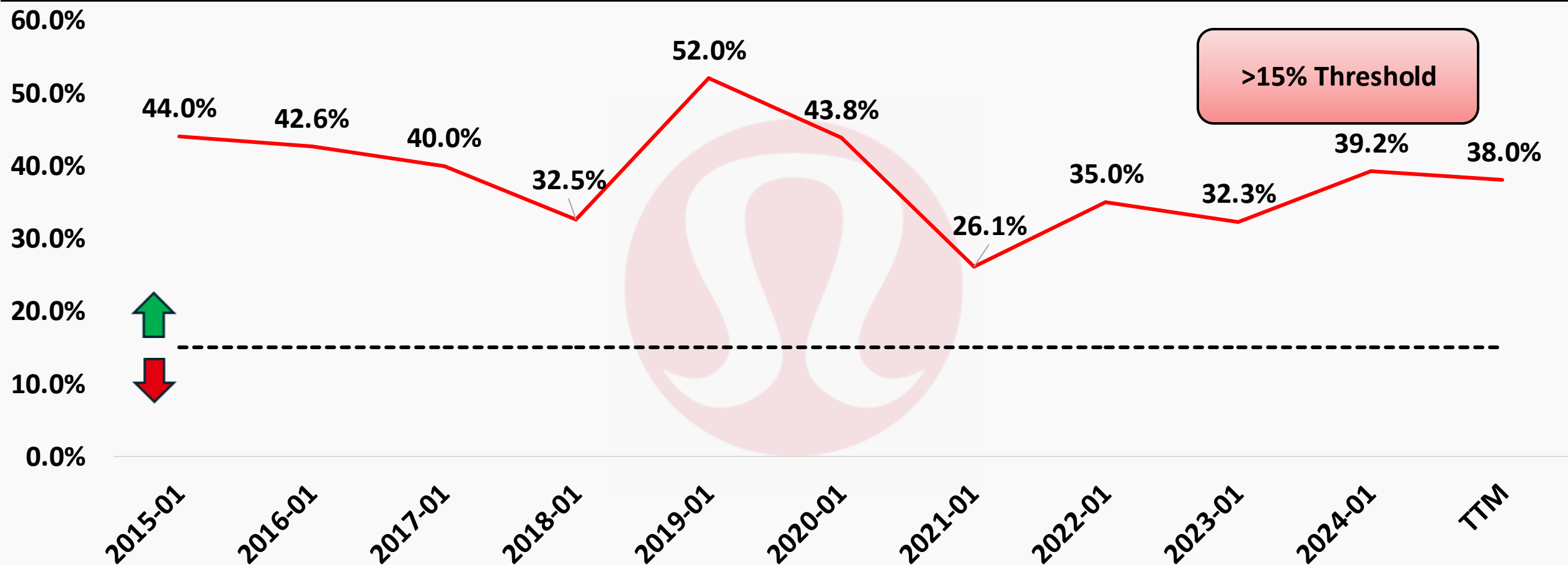
$$\text{ROE} = (\text{Net Income/Sales}) \times (\text{Assets/Equity}) \times (\text{Sales/Assets})$$





# Return on Capital

Return On Capital = Net Income/Shareholder's Equity + Debt





# Obligation Ratio

Long-Term Debt (+)	\$0
Short-Term Debt (+)	\$0
Leases x7 (+)	\$3,127
Pension Shortfall (+)	\$0
Cash (-)	\$1,610
Divide by Net Income	\$1,633
	<b>0.93 Years</b>

Less than 5 Years





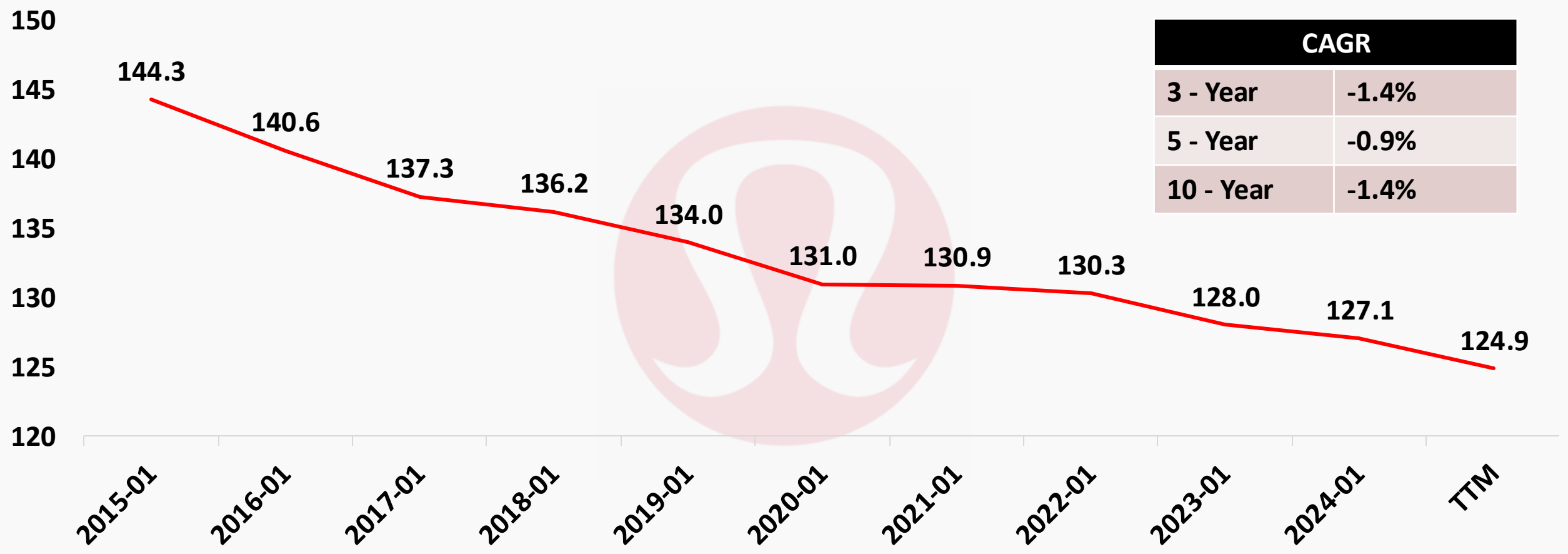
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**Jaiden Conrad**

# Capital Allocation



# Shares Outstanding



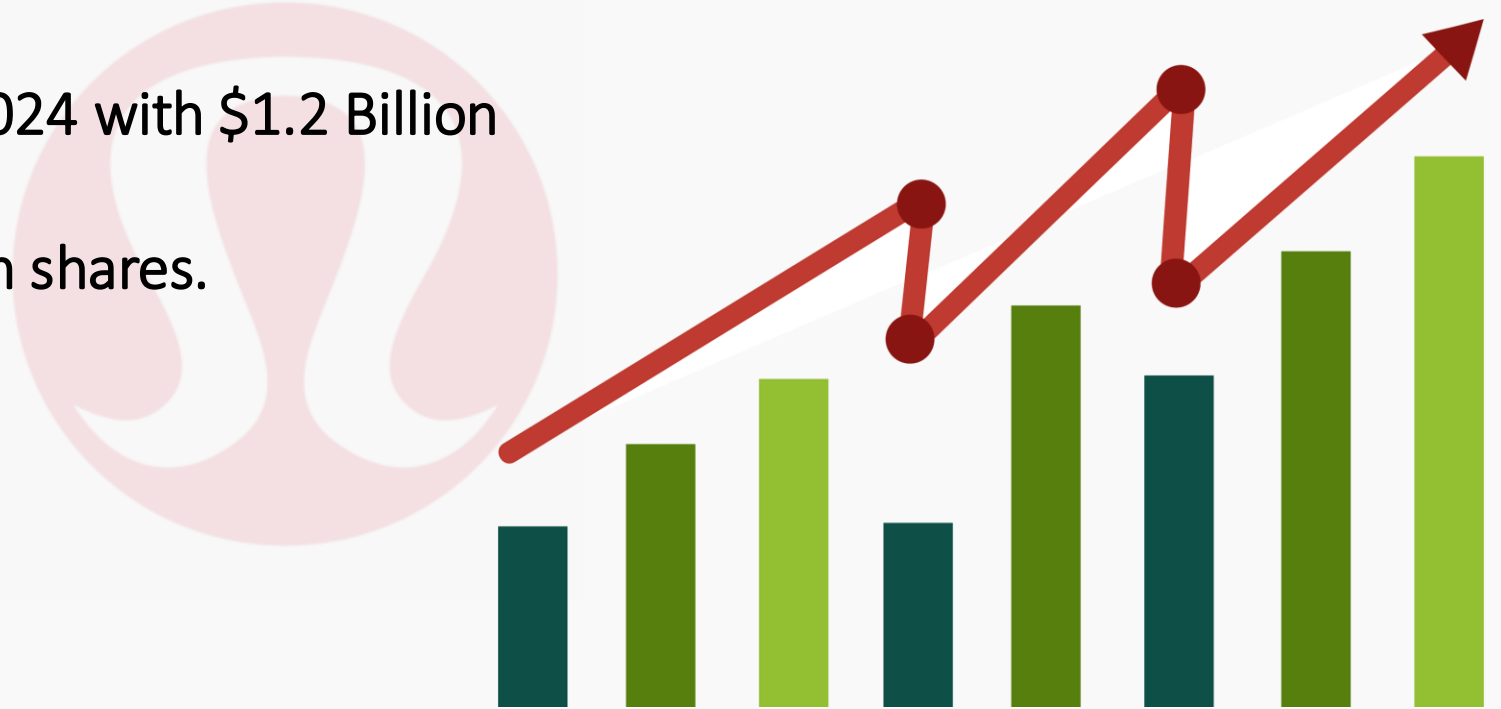
CAGR	
3 - Year	-1.4%
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10 - Year	-1.4%





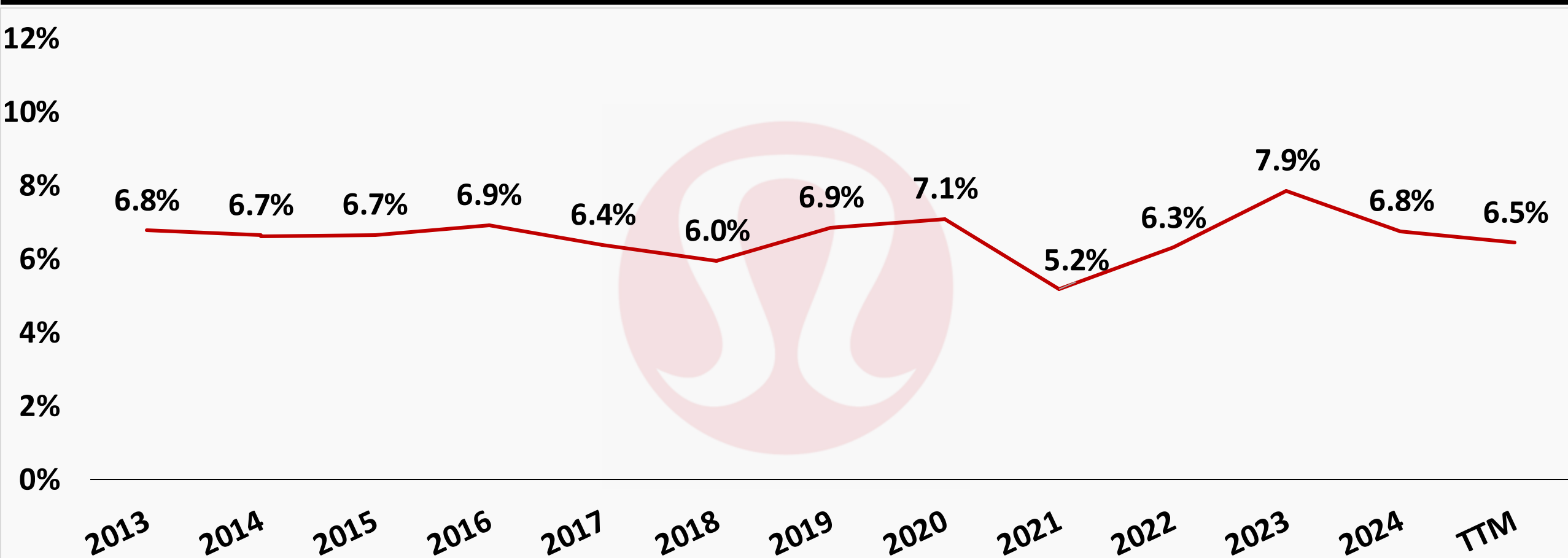
# Share Buyback Plan

- Announced in Dec 2023 a \$1 Billion buyback program with another \$1 Billion increase in June 2024 with \$1.2 Billion repurchased to this date, nearly 1.9m shares.





# Capital Expenditures as % of Revenue





# CAPEX Investments & Divestitures

- In September 2023, Lulu announces cease selling of Mirror
- Same month, Peloton partnership announced





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**Sydney Jordan**



# Management



# Management



**Calvin McDonald**

*Chief Executive Officer*

**Joined in 2018**

Pres & CEO at Sephora's  
Americas; Pres & CEO at  
Sears Canada



**Meghan Frank**

*Chief Financial Officer*

**Joined in 2016**

SVP of Financial Planning;  
Finance & Merch Planner  
at Ross and J. Crew



**Celeste Burgoyne**

*President, Americas and Global Guest Innovation*

**Joined in 2006**

EVP of Americas and Global  
Guest Innovation; Leadership  
Roles at Abercrombie & Fitch



# Management



**Andre Maestrini**

*Executive Vice President, International*

**Joined in 2021**

**Global General Manager  
at Adidas, various  
positions for 14 yrs.**



**Michelle (Sun) Choe**

*Former Chief Product Officer*

**Joined in 2016, Left  
in 2024**

**Global Brand President for  
Vans in 2024, Chief  
Product Officer**



**Nikki Neuberger**

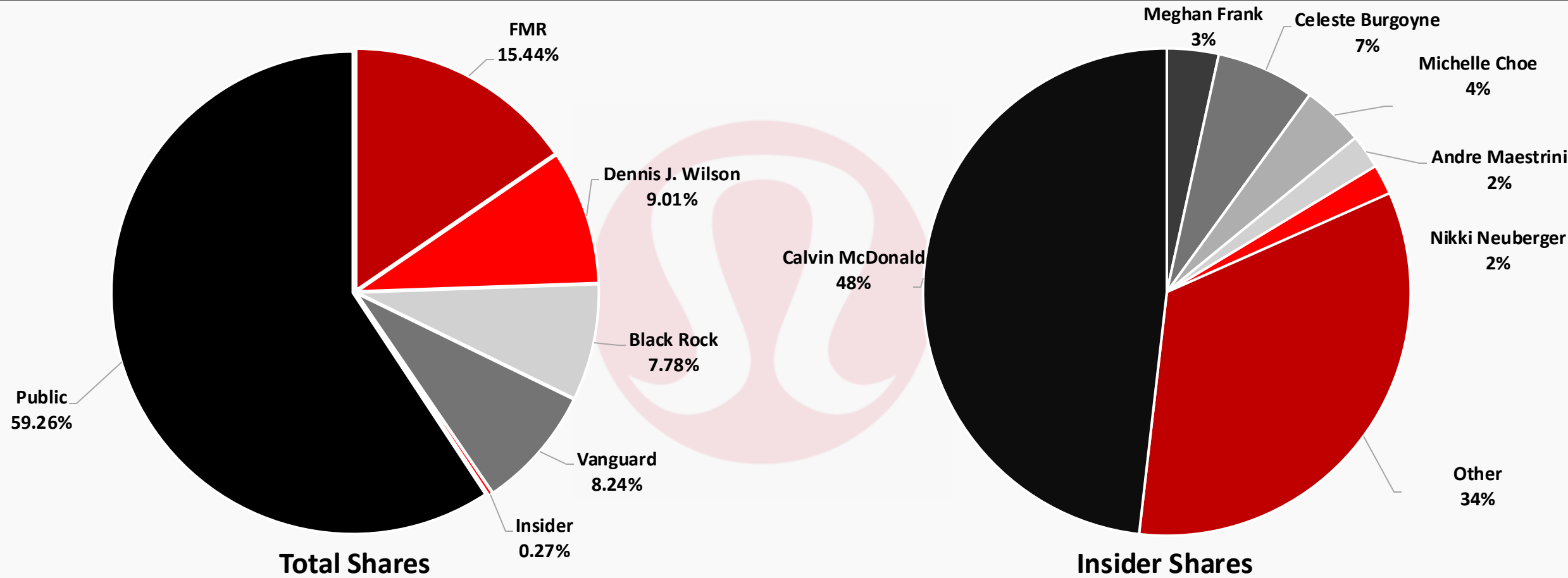
*Chief Brand and Product Activation Officer*

**Joined in 2020**

**Global Head of Marketing  
at Uber Eats; 14 yrs. As  
Global VP of Nike Running**



# Ownership





# Founder



Chip Wilson

Founded Lululemon in 1998.

Stepped down as CEO in June 2005.

Resigned as Chairman of the Board in Dec. 2013.

Resigned from Board of Directors in May 2014.



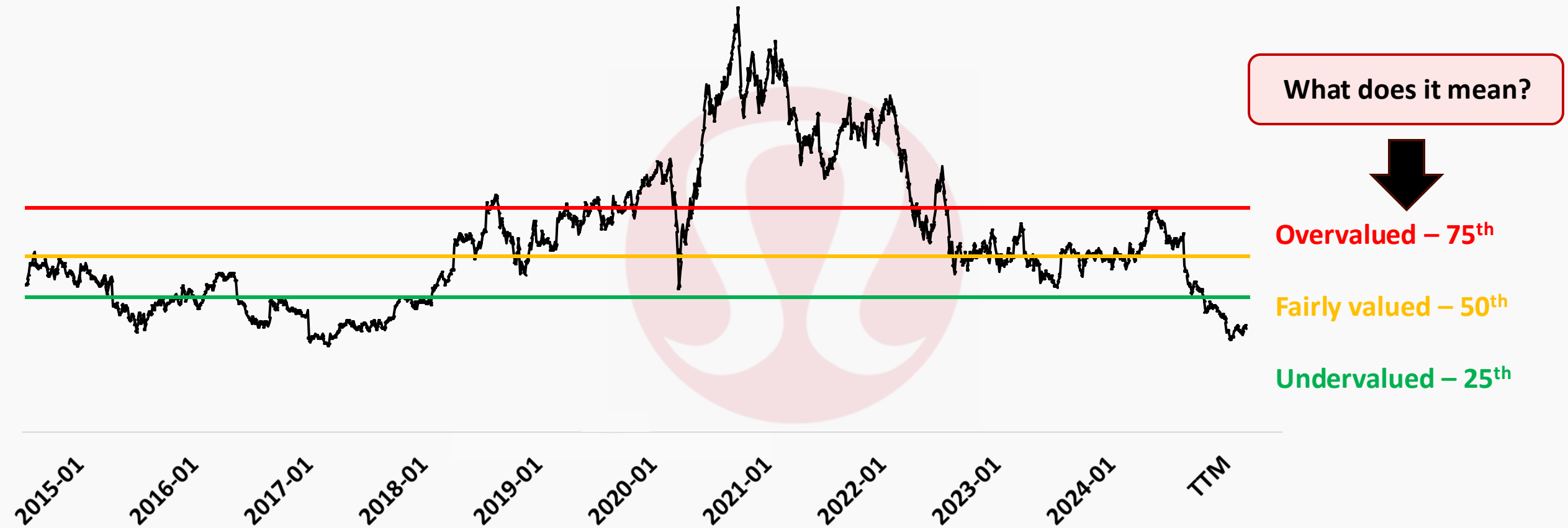


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**Pablo Samanez**

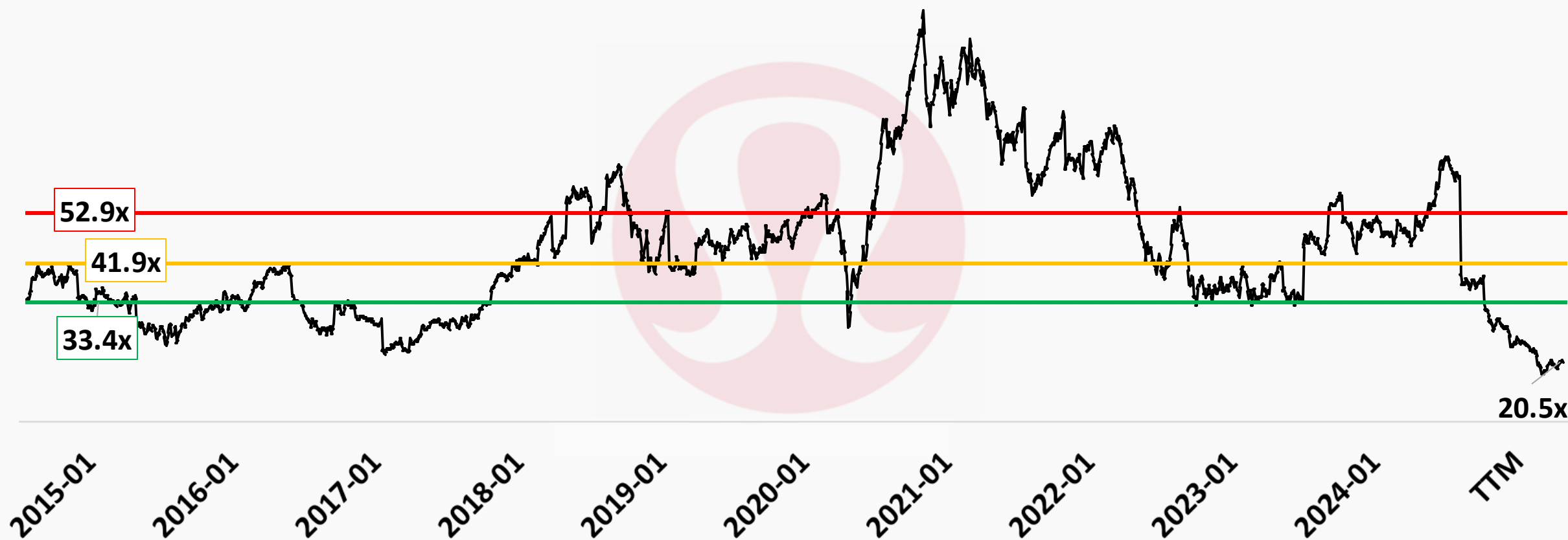
# **Value Bands & Intraportfolio Analysis**

# Value Bands



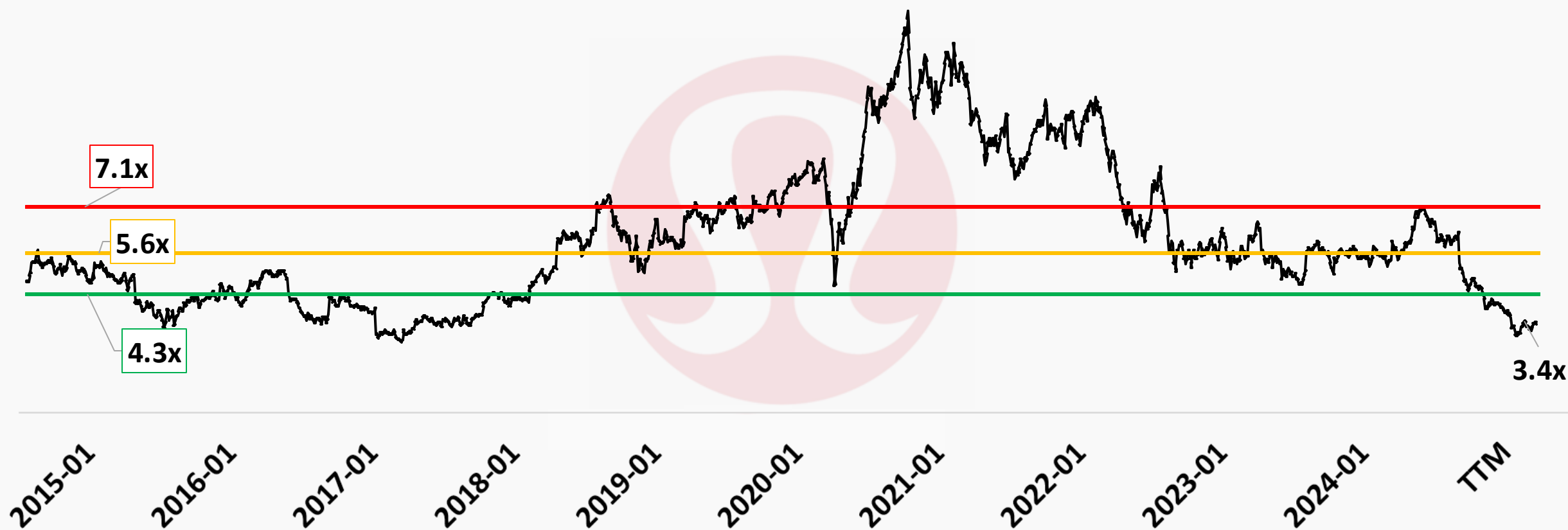
# Price to Earnings

$P/E = \text{Share Price} / \text{Earnings Per Share}$

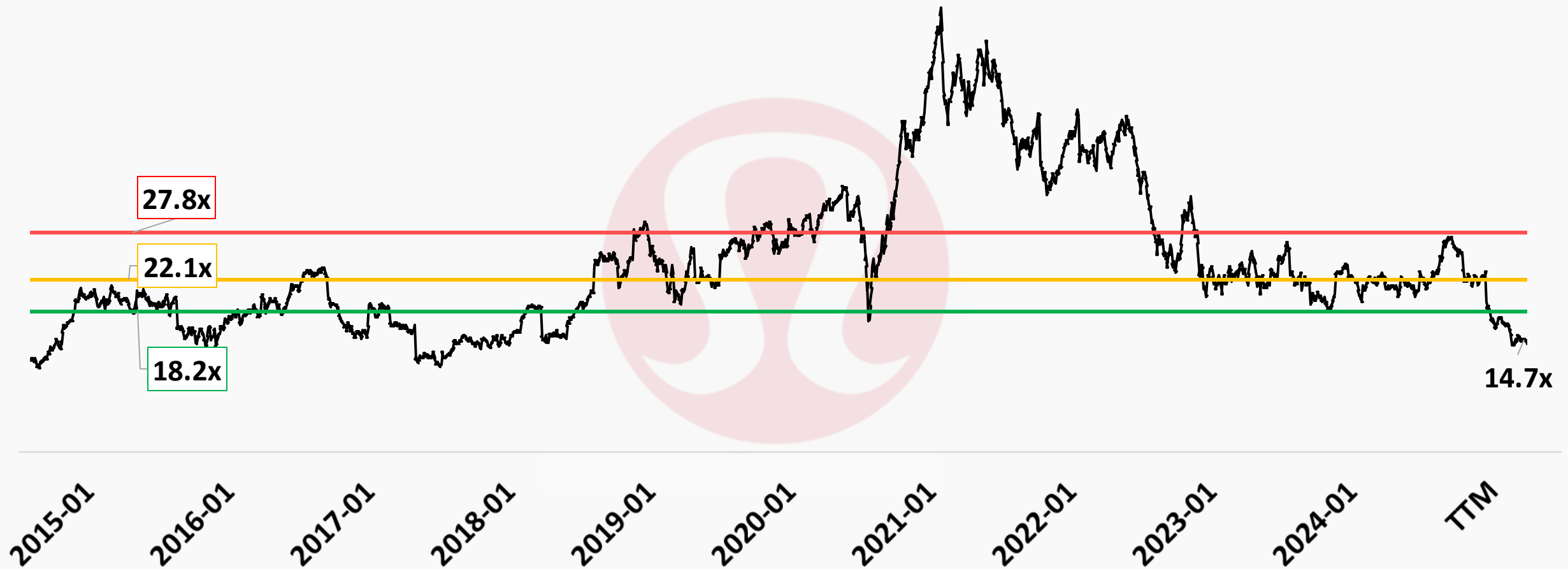


# Price to Sales

$P/S = \text{Market Capitalization} / \text{Annual Return}$



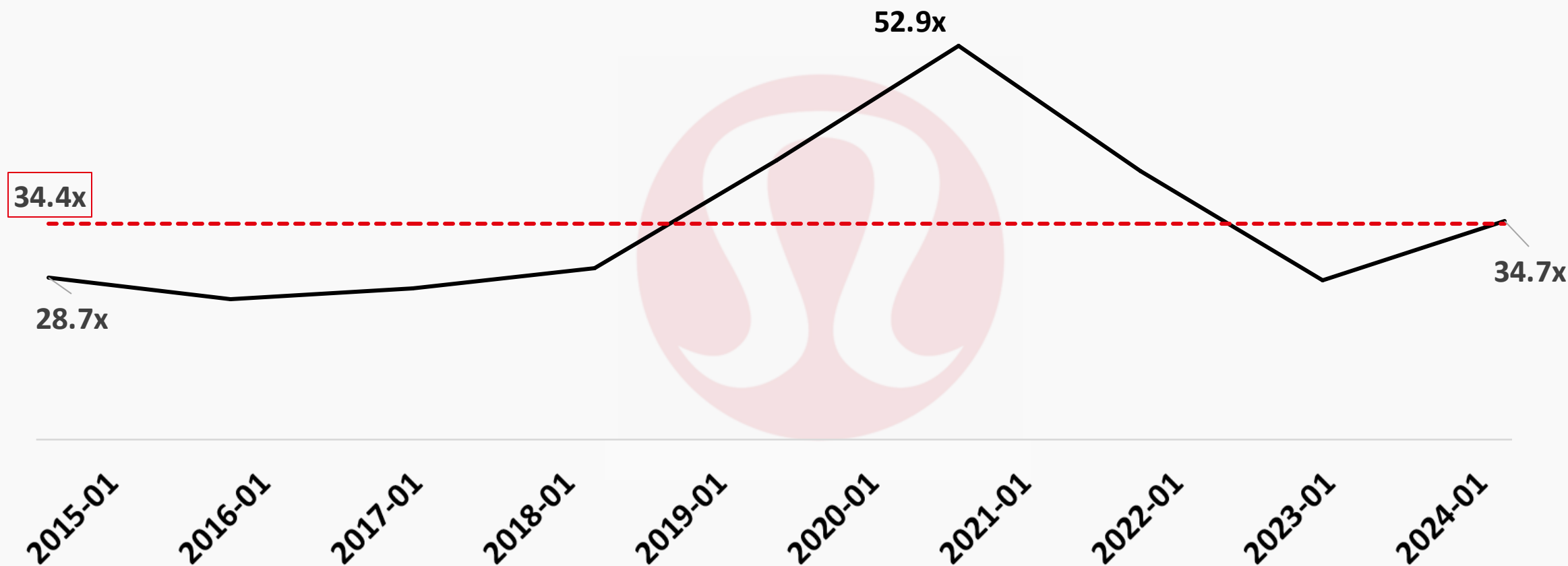
# EV / EBIT





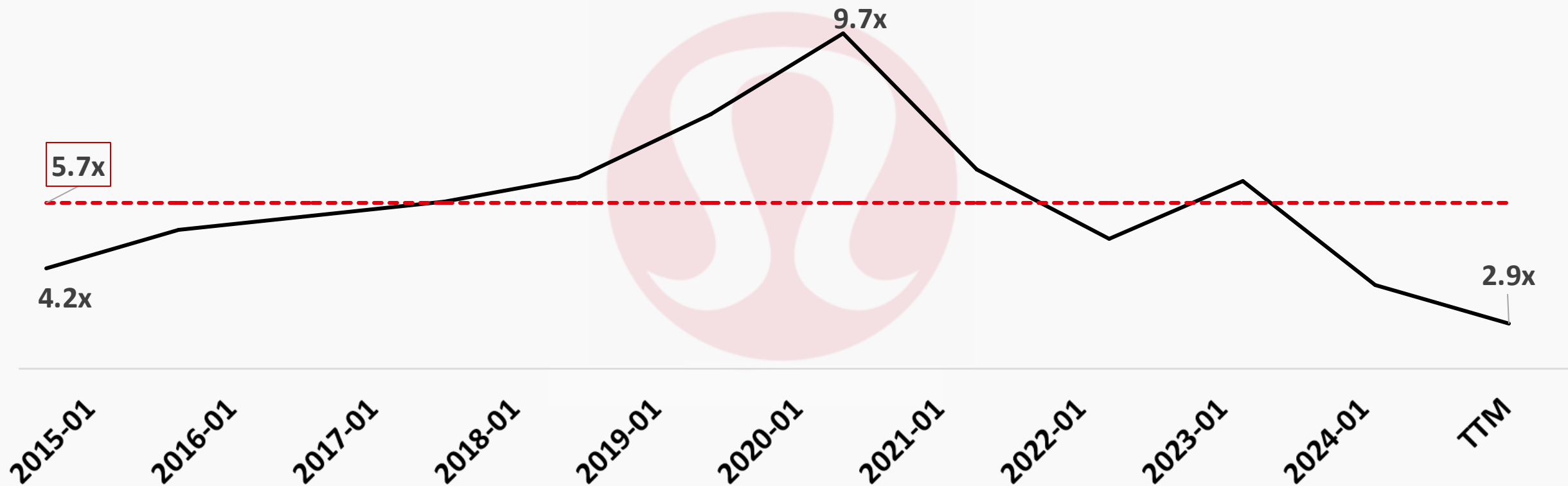
# Forward Price to Earnings

Current Share Price / Forecasted EPS



# Forward Price to Sales

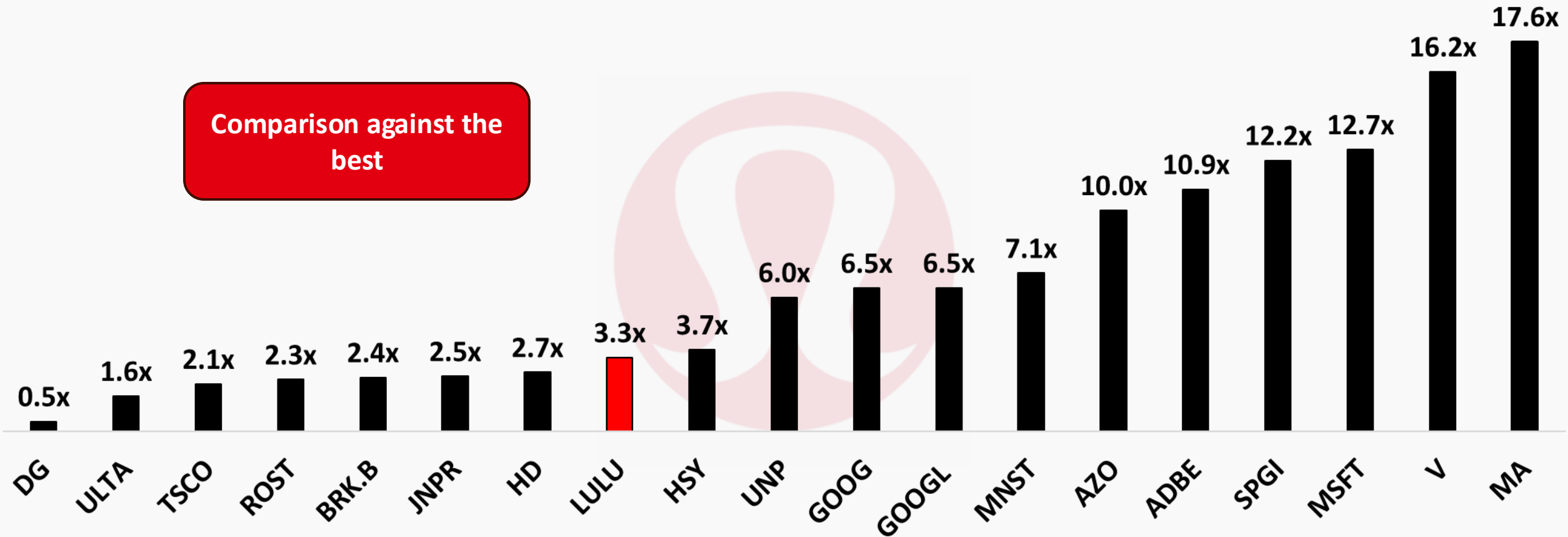
Current Share Price / Expected Sales per share



# Intraportfolio Analysis

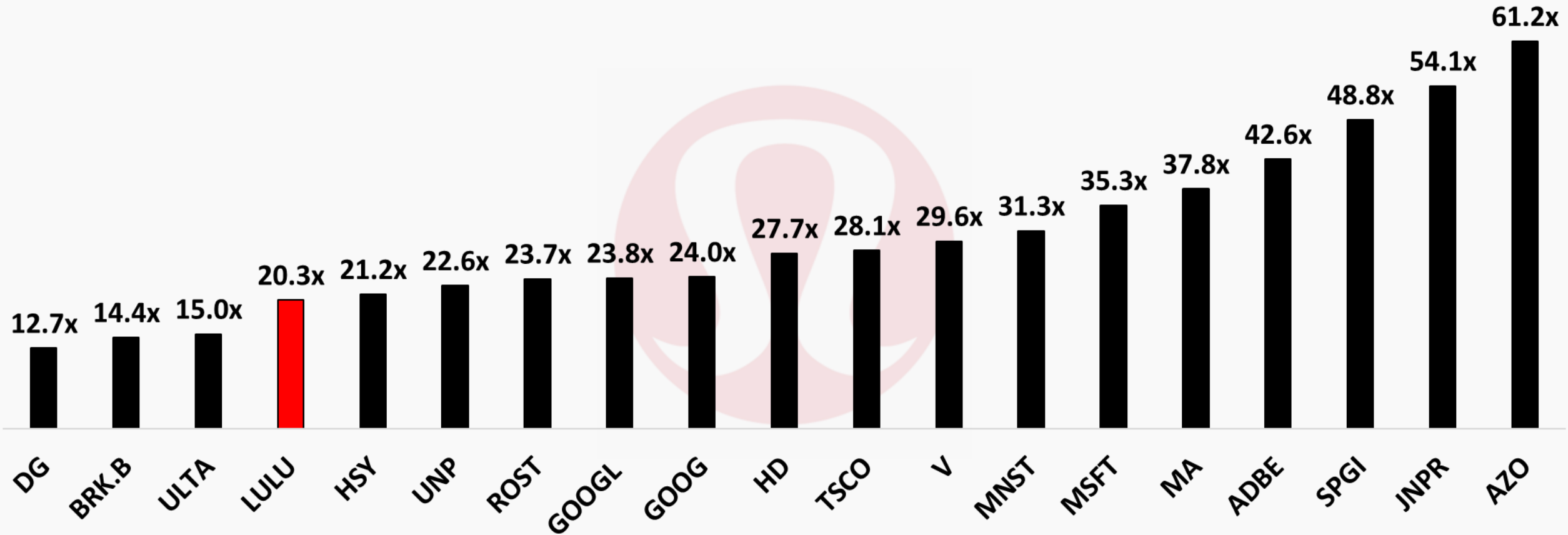


Comparison against the  
best

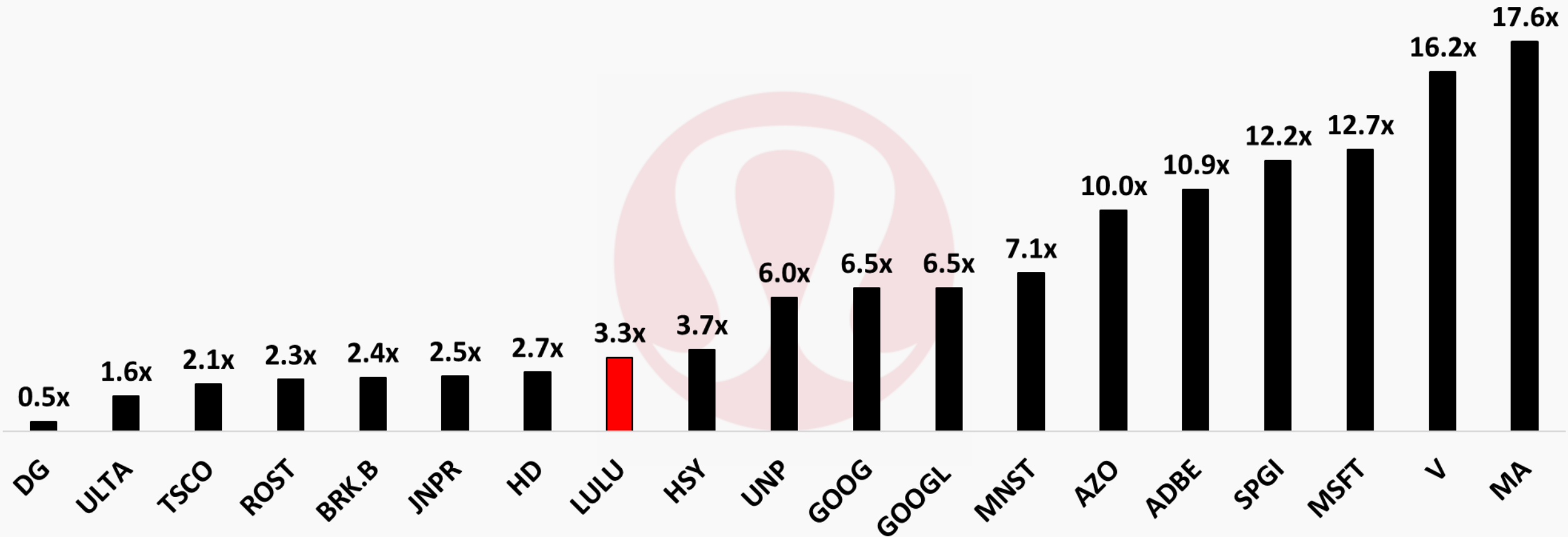




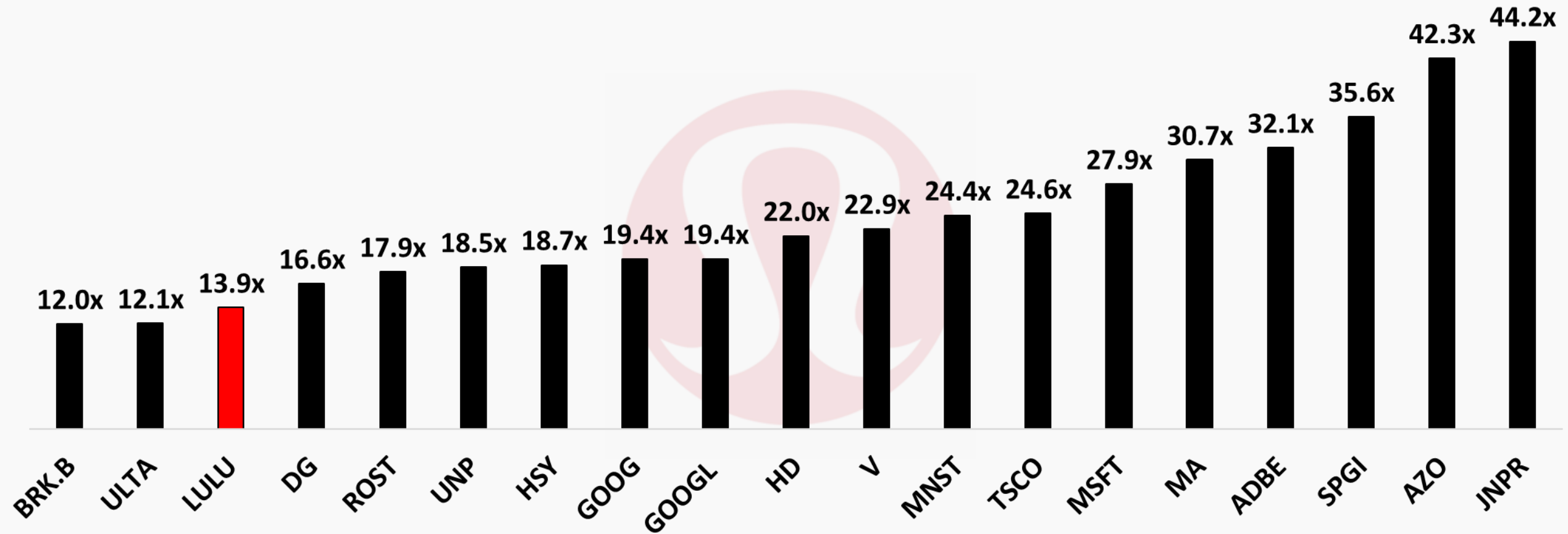
# Price to Earnings



# Price to Sales

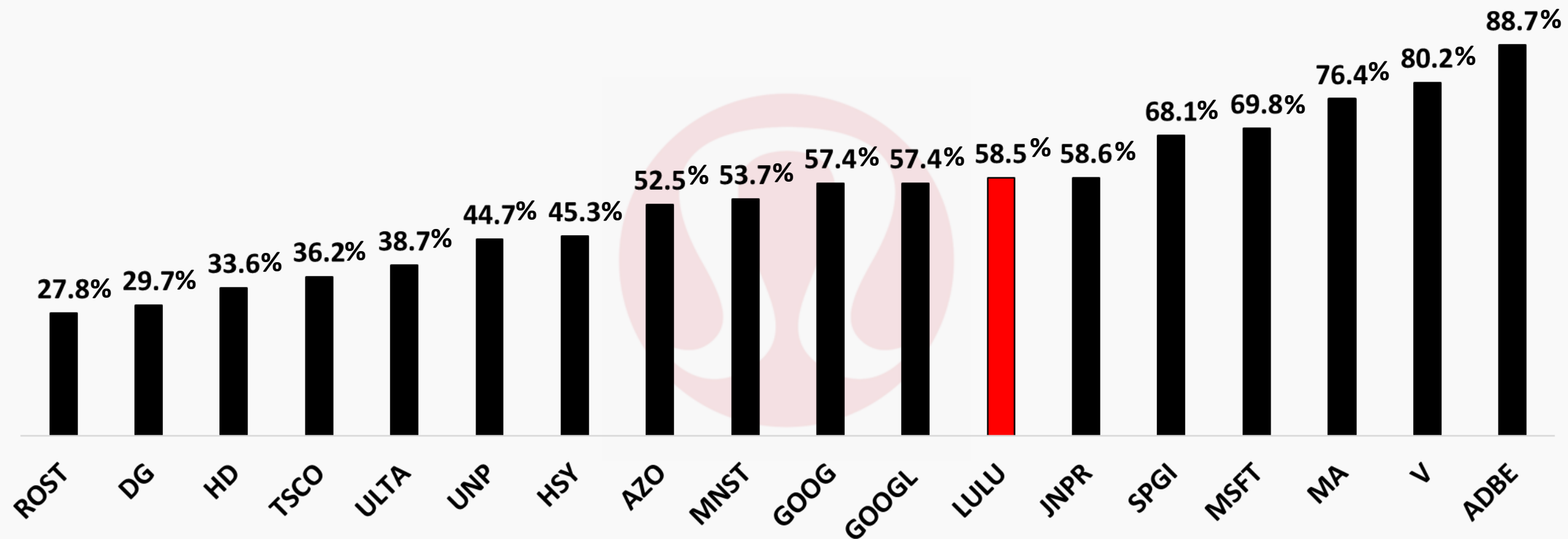


# EV/ EBIT

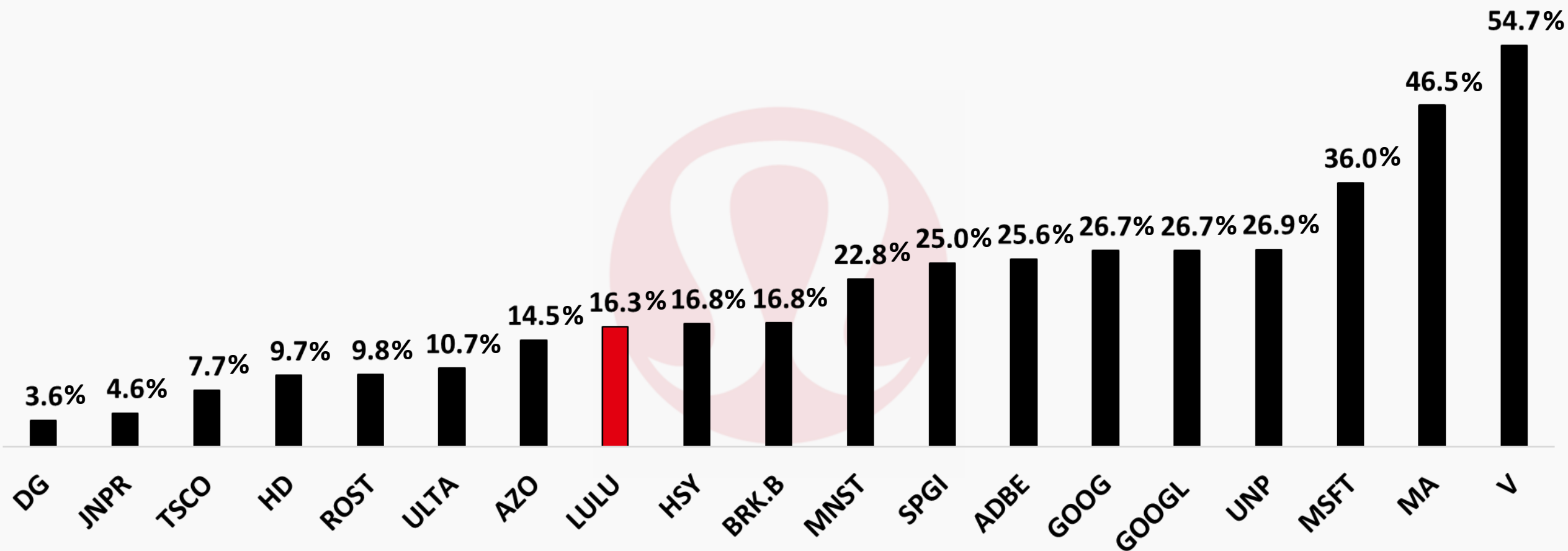


# Gross Margin

Gross Profit/Revenue



# Net Margin





**Bull Team**



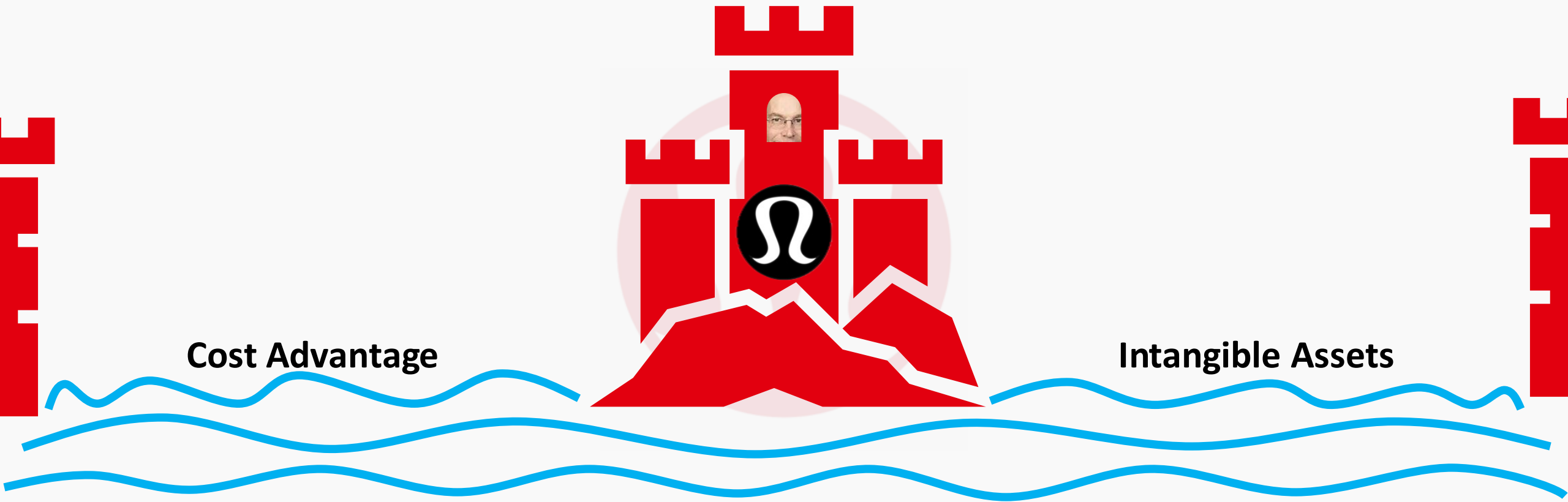
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**Enrique Alvarado**



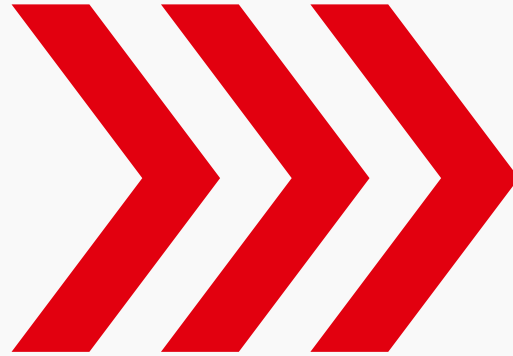
# Economic Moat

# Economic Moat





# Cost Advantages



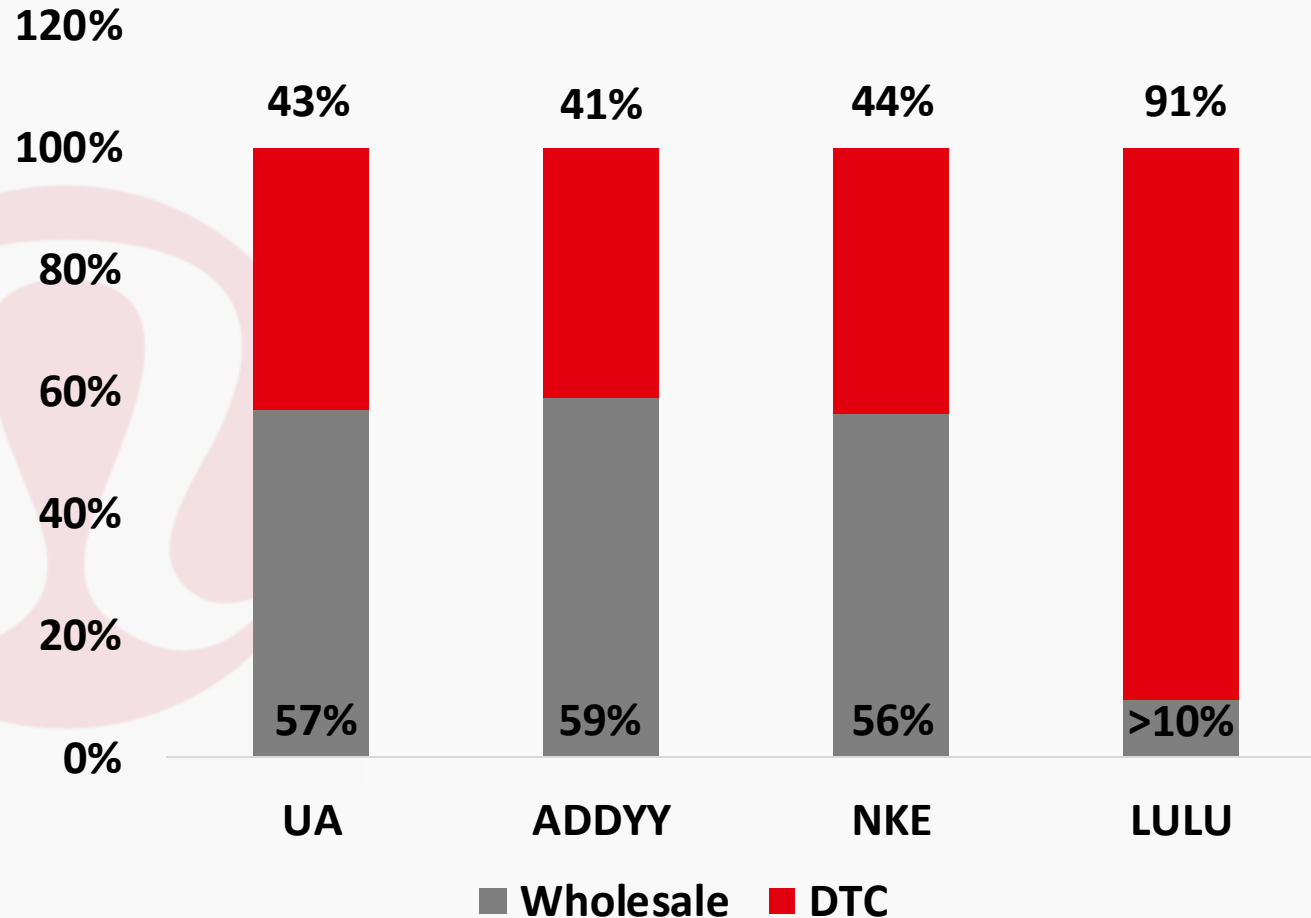
**Direct to Consumer  
Channel Strategy**





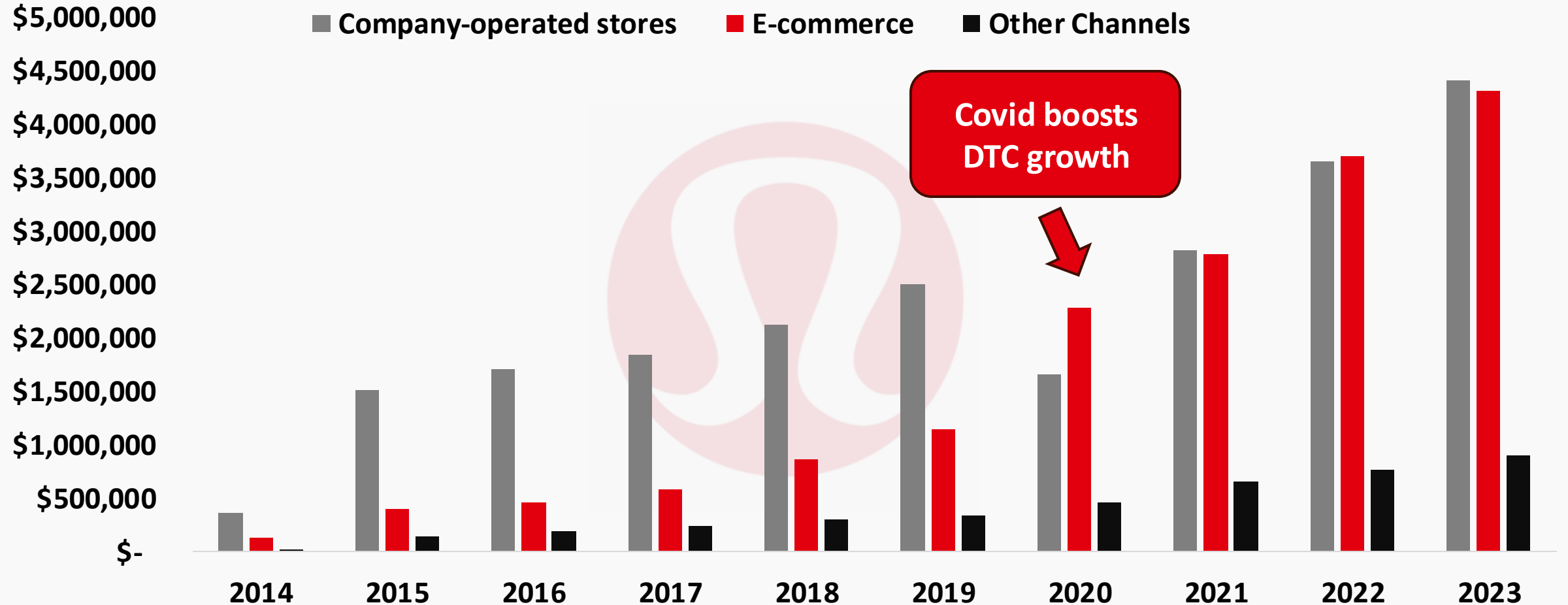
# Direct to Consumer Channels(DTC)

- Increased margins
- Increased Brand Engagement & Awareness
- Expanded inventory access

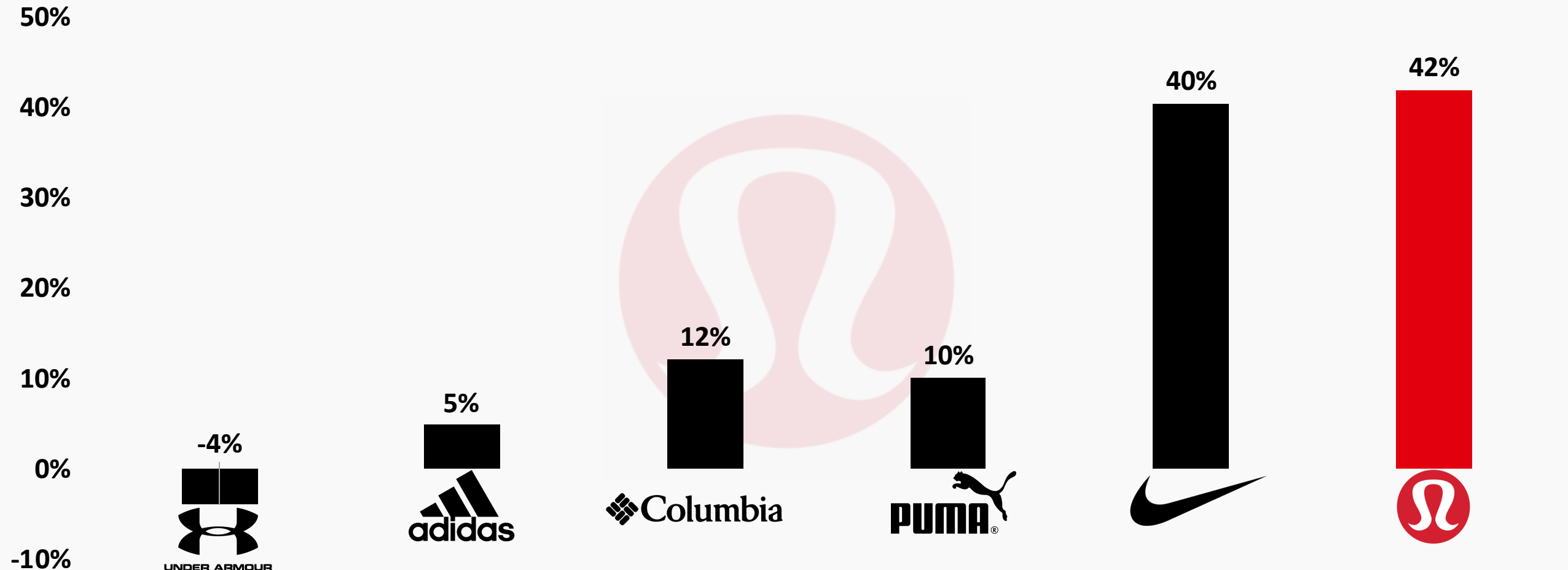




# E-Commerce Channel Growth



# Return on Equity



# Intangible Assets



Pricing Power



Brand Identity/Niche

# Pricing Power



**\$60**

**Polyester**

**Sweat wicking**

**Comfort**



**\$84.95**

**Polyester/spandex**

**Sweat wicking**

**Breathable**



**\$110**

**Nylon**

**Comfort**

**Durable**



**\$128**

**Everlux™ Fabric**

**Comfort**

**Fast drying**

# Innovation & Quality



<b>Fabric Type:</b>	<b>Luon</b>	<b>Luxtreme</b>	<b>Nulu</b>	<b>Nulux</b>	<b>Everlux</b>
<b>Feel:</b>	Cottony-Soft	Smooth & cool-to-the-touch	Buttery-soft & Naked Sensation	Silky Smooth & Cool-to-the-Touch	Soft & Cool-on-the-skin
<b>Designed For:</b>	Light Impact	High Impact	Very low Impact/Casual	High Impact	High Impact & High Sweat
<b>Intended Activities</b>	Yoga	Training & Running	Yoga	Training & Running	Sweaty Studio Sessions
<b>Styles</b>	Define Jacket, Define Relaxed-Fit Jacket	Bottoms, Bras, Pullovers & Accessories	Bottoms, Tops, Accessories, Bodysuits	Leggings	Leggings, Pants, Shorts, Tank Tops

# Innovation & Quality



<b>Fabric Type:</b>	<b>Swift</b>	<b>Warpstreme</b>	<b>Vitasea</b>	<b>Silverescent Technology</b>
<b>Feel:</b>	Lightweight	Durable	Soft & Lightweight	N/A
<b>Designed For:</b>	High & Low Impact/Versatility	Range of motion/Comfort	Comfort	High Impact & High Sweat
<b>Intended Activities</b>	Training & Office, Travel, Commute	Office, Travel, Commute	Office, Travel, Commute	Running & Training
<b>Styles</b>	Bottoms, Jackets, Accessories	Pants, Shorts, Trousers	Shirts	Tops, Headbands





# Lululemon Quality Promise

**“Quality is the heart of who we are. Quality shows up in our people, our conversations and of course, our product. If your item isn’t performing as intended, we will work with you to make it right.”**

**-Lululemon**



# Complimentary Repairment

- If within one year of purchase, Lululemon will do their best to repair and mend ripped seams or holes at no charge
- Adds longevity to lululemon products
- Creates a sense of trust and benevolence for consumers





# Complimentary Hemming

**Step 1**

You try on the top or bottom you would like to be hemmed

**Step 2**

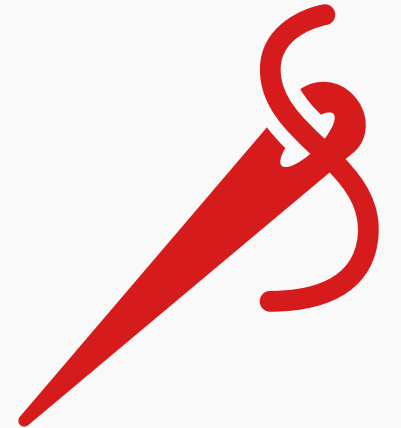
An educator will pin the hem exactly where you want it

**Step 3**

Our hemmers will hem it

**Step 4**

Your gear will be ready for pickup within 3 business days



# Niche



**Athletic/Athleisure**

**For everyday wear**



**Outdoor wear**

**For hikers &  
explorers**



**Athletic/Athleisure**

**For the genuine  
athlete**



**Athleisure**

**Trendsetter of  
premium athletic  
wear for the  
fashionable**

# Brand Identity



- Focused on promoting the lifestyle that can be achieved by using Lululemon products
- Living and leading a balanced, healthier lifestyle
- Brand seen as a step towards healthier living & community





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**Logan Arciba**

# **Growth Opportunities**

# Power of Three X2 is Still Here



- Plan announced in April 2022
- Double revenues from \$6.25 billion to \$12.5 billion.
- Still projected to meet goals

## Power of Three x2





# Men's



- Low Unaided Brand Awareness
  - Low 30s
  - Outpaced overall men's market in Q1, 2024
- In 2023, represented 23% of revenue at \$2.25 Billion
  - In Q2, 2024 revenue is up 11% YoY.
- Recently added Odell Beckham Jr. to list of Male partners alongside DK Metcalf
  - Launched a men's tv campaign in Q3, 2024



Odell Beckham Jr



DK Metcalf



# Men's Innovation



- Introduced Men's footwear line in 2024
  - Beyondfeel
  - Cityverse
- Zeroed In launched in Spring 2024
- Packable Anorak – made from enzymatically recycled Nylon 6,6
  - The first of its kind



# Guest Experience



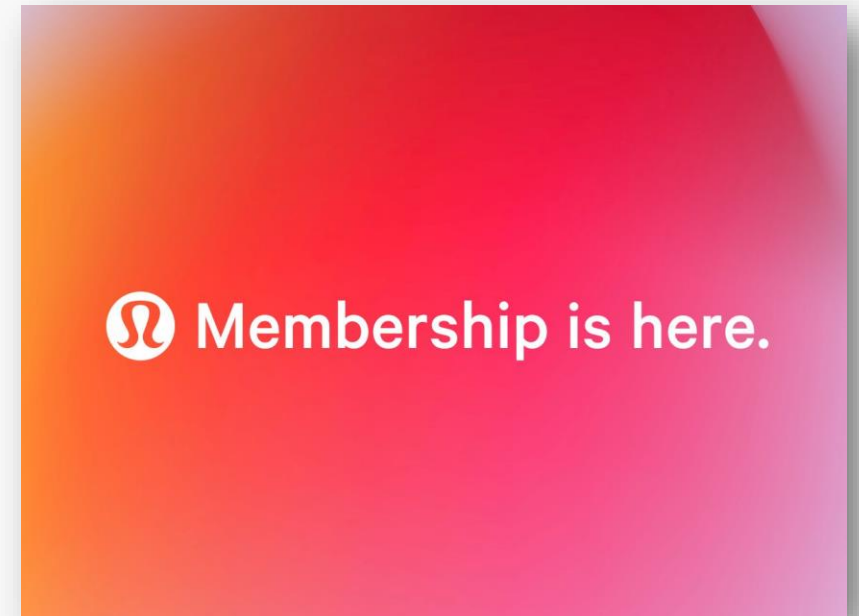
- **Lululemon Essential**

- **FREE** membership
- Over 22 million members as of September 2024, about a 9 million increase from November 2023

- **12 Partners to fuel three key well-being pillars**

- **Digital was 38% of total revenue in Q2, 2024.**

- **Improves omnichannel strategy**



# Membership Partners



**BARRY'S**

**LIFETIME<sup>®</sup>**

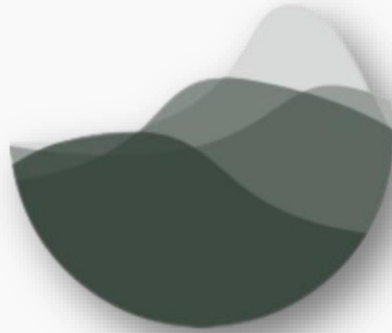


**classpass**



**PELOTON**

# Membership Partners



EREW HON

# Membership Partners



RESTORE



OURA



# Guest Experience



- **Peloton Partnership**

- Official digital fitness content provider
- Content will still be provided on Mirror devices
- Lululemon becomes Peloton's primary apparel partner
- Peloton instructors become Lululemon ambassadors
- October 11, 2023, co-branded apparel released

PELOTON

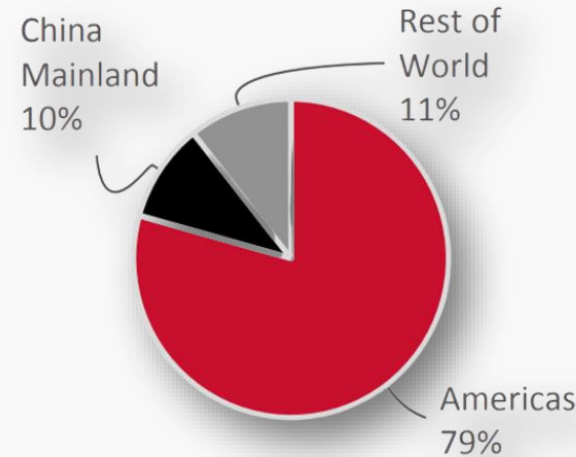




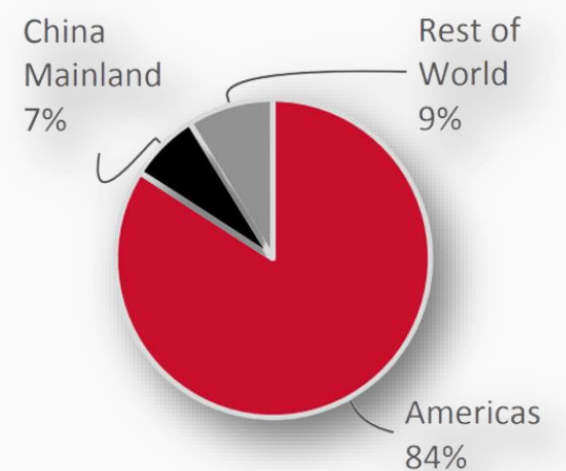
# International Opportunities

- **Q2 2024, 52% increase in international revenue**
  - Now over 20% revenue as of 2023
- **As of 2024, 721 stores globally, 225 international.**
  - Expected 35 – 40 net new company operated stores to open in 2024 with 30-35 internationally
  - 10 net new stores opened
  - China Mainland main opportunity
- **Partnered with Team Canada for the 2<sup>nd</sup> time**
  - Paris stores benefited from this

2023 Net Revenue



2022 Net Revenue





# International Opportunities - China



- **China Mainland Room for Growth**

- Store base of 127 on the Mainland
- Where majority of stores will be opened for 2024

- **Healthy China 2030**

- Annual Summer Sweat Games
- Building relationships through local fitness instructors, influencers

- **WeChat Lululemon Communities**



- WeChat has 1.37 Billion monthly active users, majority in China.







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**Enrique Alvarado**

# Valuation & Conclusion



# EPS Growth Rate Inputs

	Revenue	Net Margin	Share Repurchases	EPS Growth Rate
Bear	9%	-0.5%	1%	9.5%
Base	11%	0	1.5%	11.5%
Bull	13%	0.5%	2%	15.5%



# 5 Year Discounted Cash Flow

Ticker: LULU											
Price: \$269.36											
5 Year Discounted Cash Flow											
								Total Return			
								Price	pV	5 YR Return	Annual Return
Bear	EPS	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	18.0x	\$366.39	\$227.50	36.0%
		\$12.93	\$14.16	\$15.50	\$16.98	\$18.59	\$20.35	24.0x	\$488.52	\$303.33	81.4%
		10%	10%	10%	10%	10%	10%	28.0x	\$569.94	\$353.89	111.6%
Base	EPS	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	18.0x	\$408.34	\$253.54	51.6%
		\$12.93	\$14.42	\$16.15	\$18.08	\$20.25	\$22.69	24.0x	\$544.45	\$338.06	102.1%
		12%	12%	12%	12%	12%	12%	28.0x	\$635.19	\$394.40	135.8%
Bull	EPS	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	18.0x	\$478.39	\$297.04	77.6%
		\$12.93	\$14.93	\$17.25	\$19.92	\$23.01	\$26.58	24.0x	\$637.85	\$396.06	136.8%
		16%	16%	16%	16%	16%	16%	28.0x	\$744.16	\$462.06	176.3%

Discount  
rate:  
10%

# Margin of Safety



	Bear	Base	Bull
Present Value	\$303.33	\$338.06	\$396.06
Margin of Safety	-6%	26%	46%



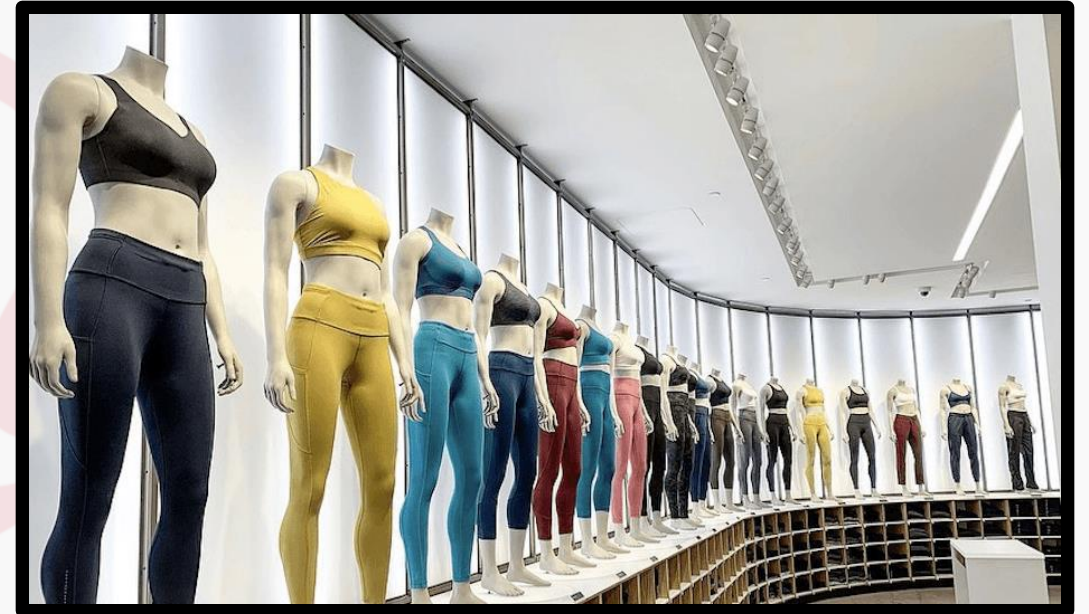
# Rate of Return Sensitivity

Total RoR Sensitivity				
P / E	Est. EPS growth rate			
		10%	12%	16%
	18.0x	6.3%	8.7%	12.2%
	24.0x	12.6%	15.1%	18.8%
	28.0x	16.2%	18.7%	22.5%



# Recommendation

- Tax loss harvesting on our 100 shares of LULU
- Double down on current position, hold for 30 days, and then sell our original position
- Realizes a tax loss to offset future gains





# Bear Team



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**Tristan Smith**

# Competitor Analysis

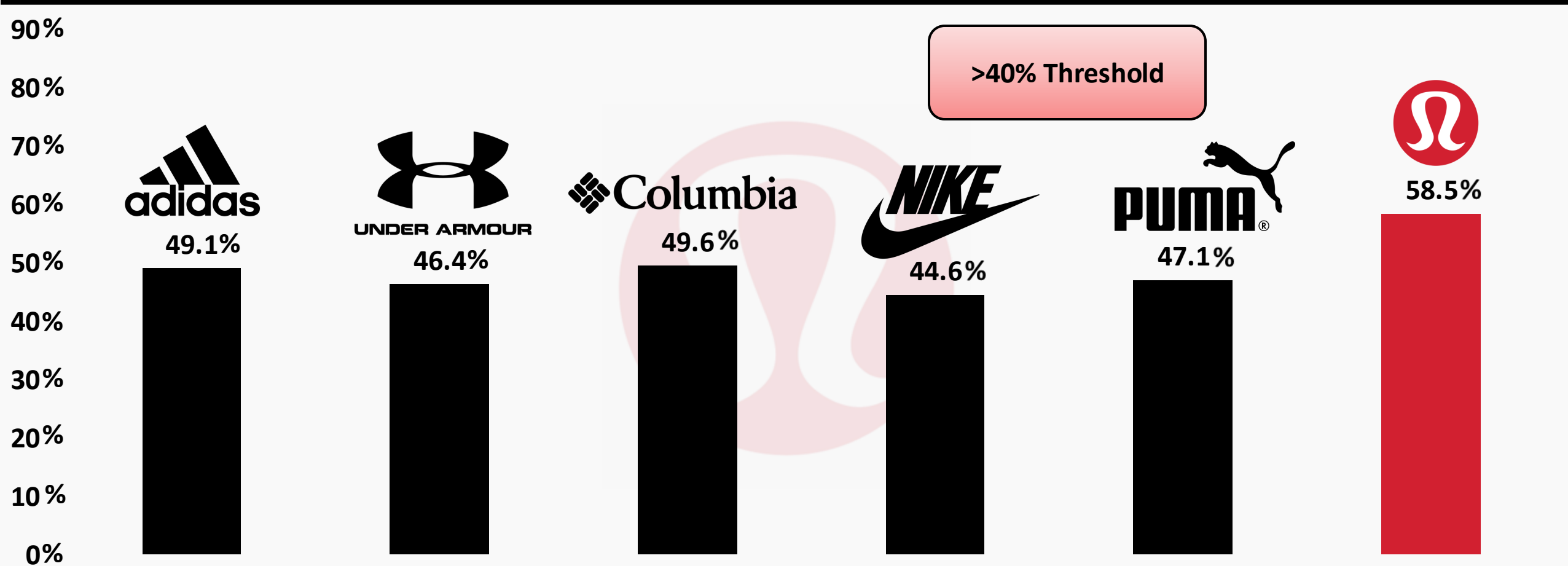


# Competitors



# Gross Margin

Gross Margin = Gross Profit/Revenue





# Operating Margin

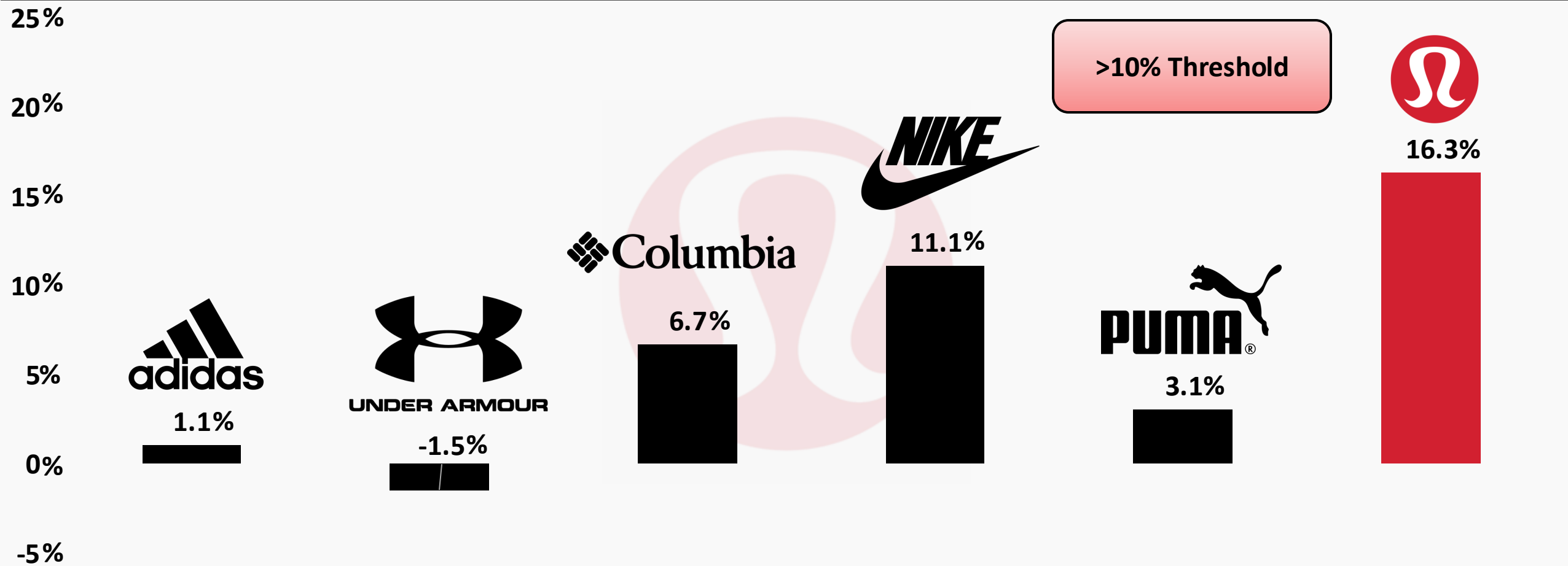
Operating Margin = Operating Income/Revenue





# Net Margin

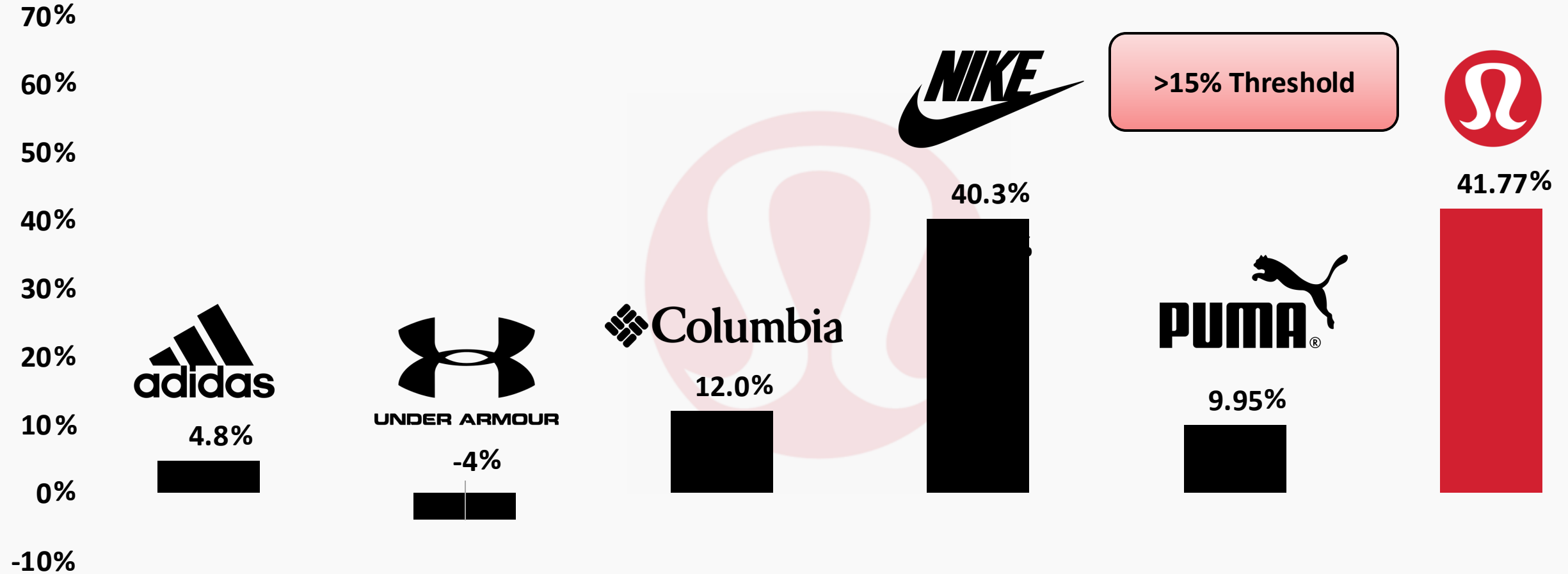
Net Margin = Net Income/Revenue





# Return on Equity

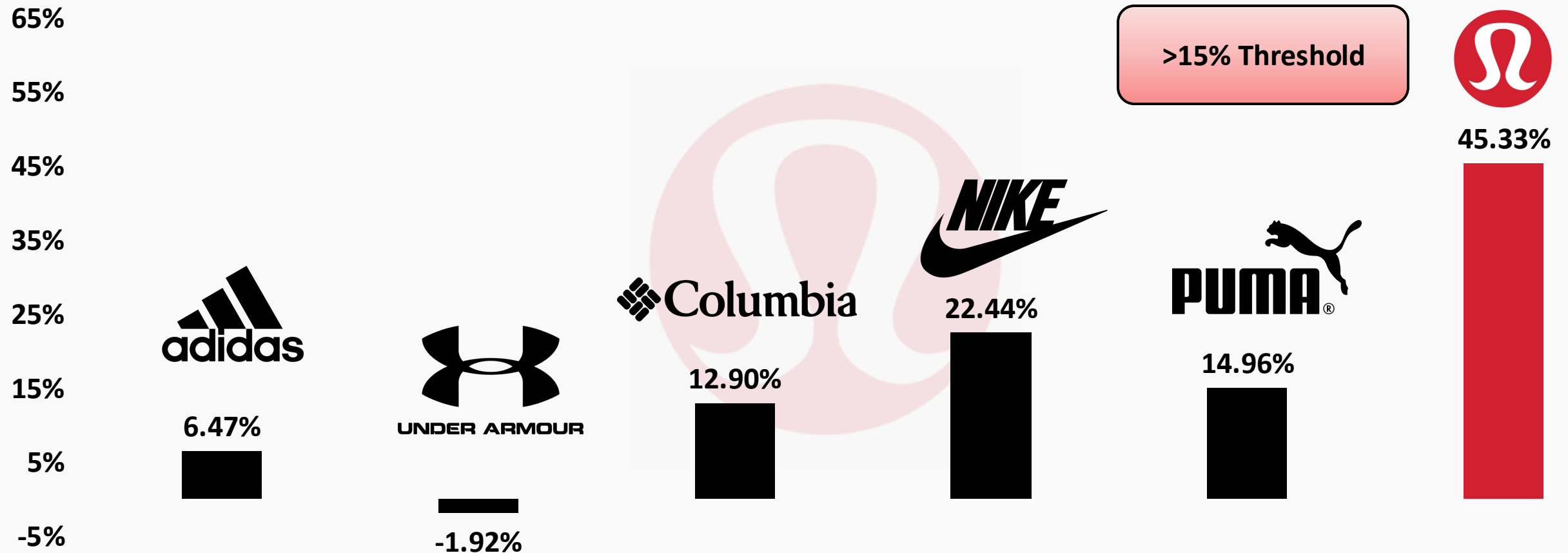
Return On Equity = Net Income/Shareholders Equity





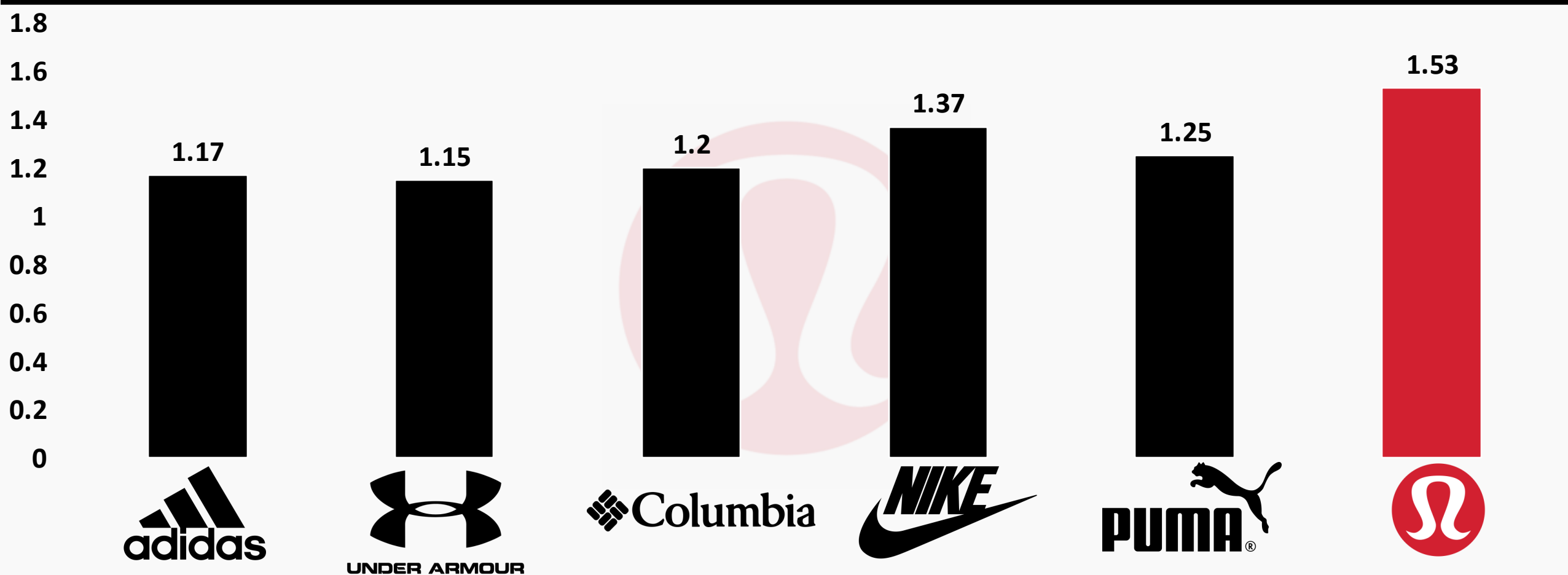
# Return on Capital Employed

Return On Capital = Net Income/Shareholder's Equity + Debt





# Asset Turnover



# Obligation Ratio



1/31/2025

lululemon  athletica

104

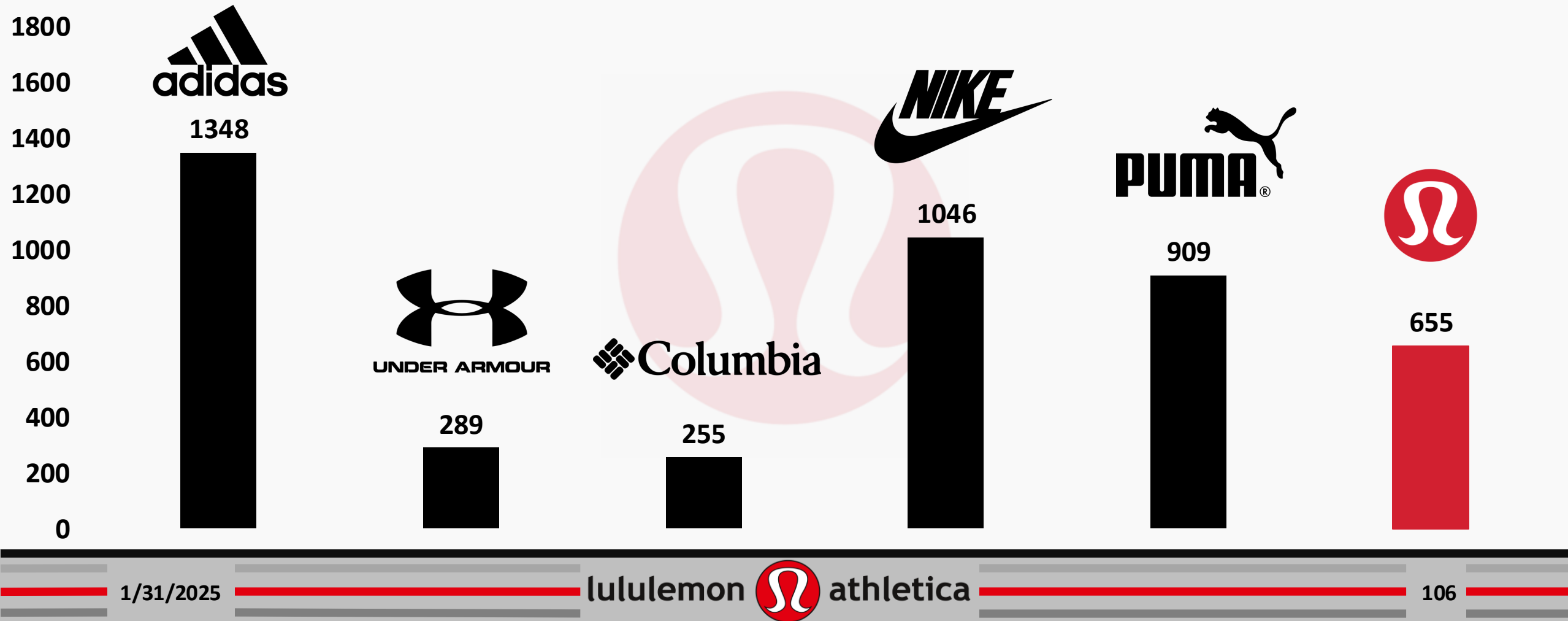




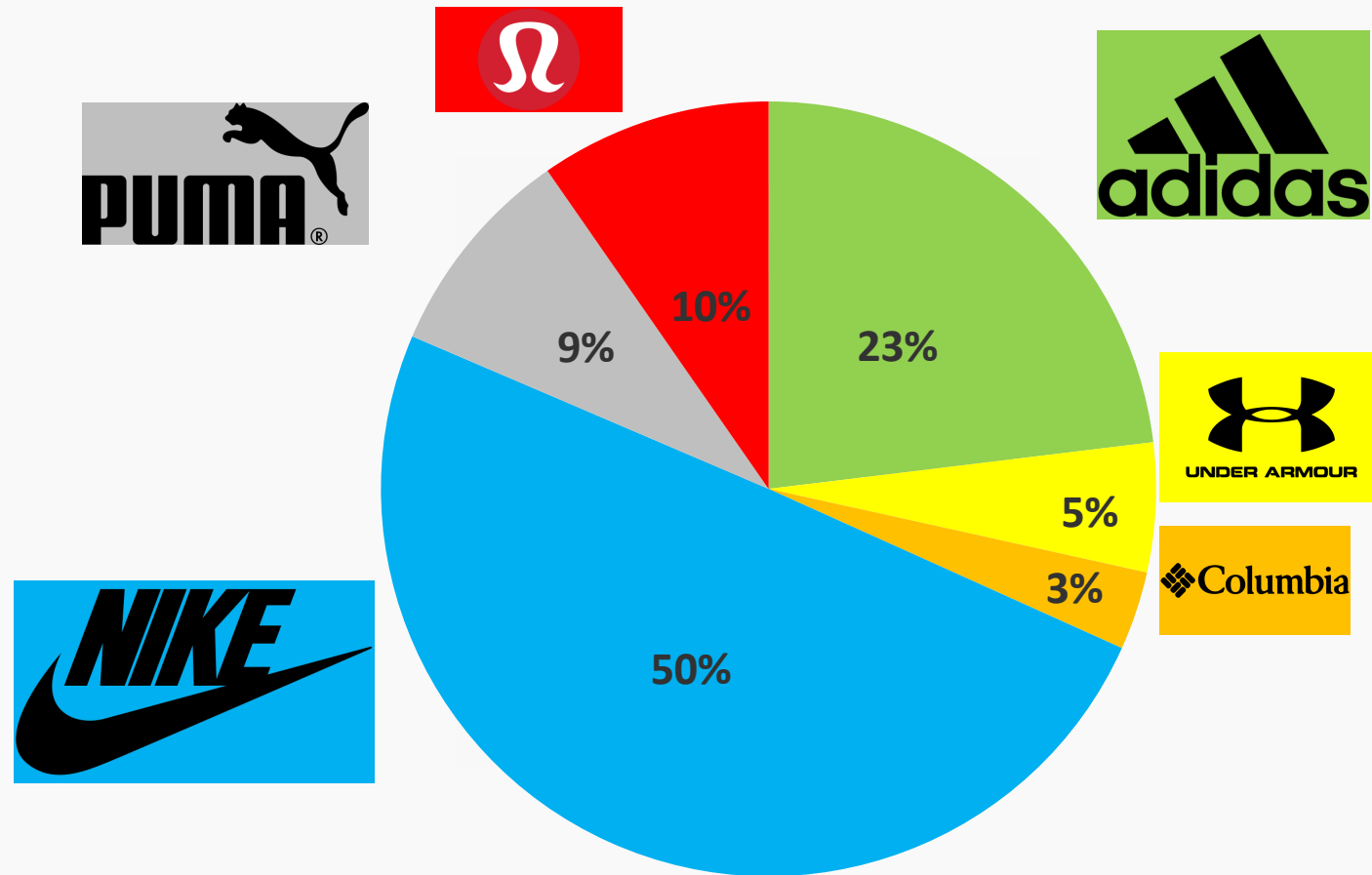
# Product Comparison (Leggings)

						
General Price Range	\$25 - \$90	\$50 - \$100	\$40 - \$75	\$60 - \$100	\$25 - \$70	\$88 - \$128
Niche Target Consumer	Athletes, fitness enthusiasts, and streetwear fans	Athletes focused on performance	Outdoor enthusiasts such as hikers, bikers, and campers	Athletes, fitness enthusiasts, and casual wearers	Trend-conscious consumers, streetwear fans, and athletes	Yoga practitioners, fitness, and luxury athleisure, fashion, and casual wearers

# Store Count



# Market Share



# Ambassadors



					
Patrick Mahomes	Stephen Curry	Dude Perfect	Lebron James	Lewis Hamilton	Canadian National Team
Lionel Messi	Kelsey Plum	Luke Combs	Caitlin Clark	Rhianna	Dk Metcalf
James Harden		Mark Daniels Jr.	Cristiano Ronaldo	Neymar Jr.	Dave Sather
Corey Seager	Bryson Tucker	Sarah Hoefflin	Rodger Federer	LaMelo Ball	Jordan Clarkson



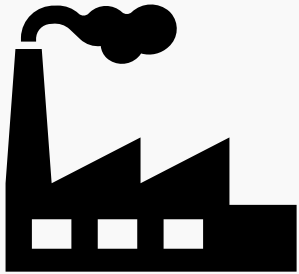
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**Mark Dziadul**



# Risk Factors

# Risk Factors



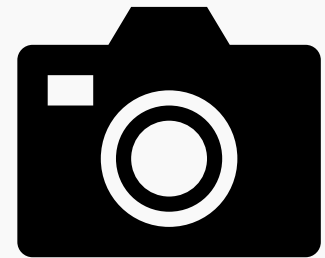
**Production**



**Litigation**



**Competition**



**Public image**

*success depends on the ability to maintain the value and reputation of the brand.*

# Production



## Supply Chain

No Long-term Contracts

Few Vendors

Volume issues





# Production



## Product

Poor Quality Control

Loss of Confidence

Inventory Issues



# Production



**International**

**China**

**Regulation**

**Trade restrictions**

# Litigation



## Violation of Securities laws - August 2024

**Misleading  
Statements**

**Inventory  
allocation issues  
color palette  
execution issues**

**Lululemon's  
Breezethrough  
product  
underperformed**

**Stagnating sales  
in the United  
States**

# Competition



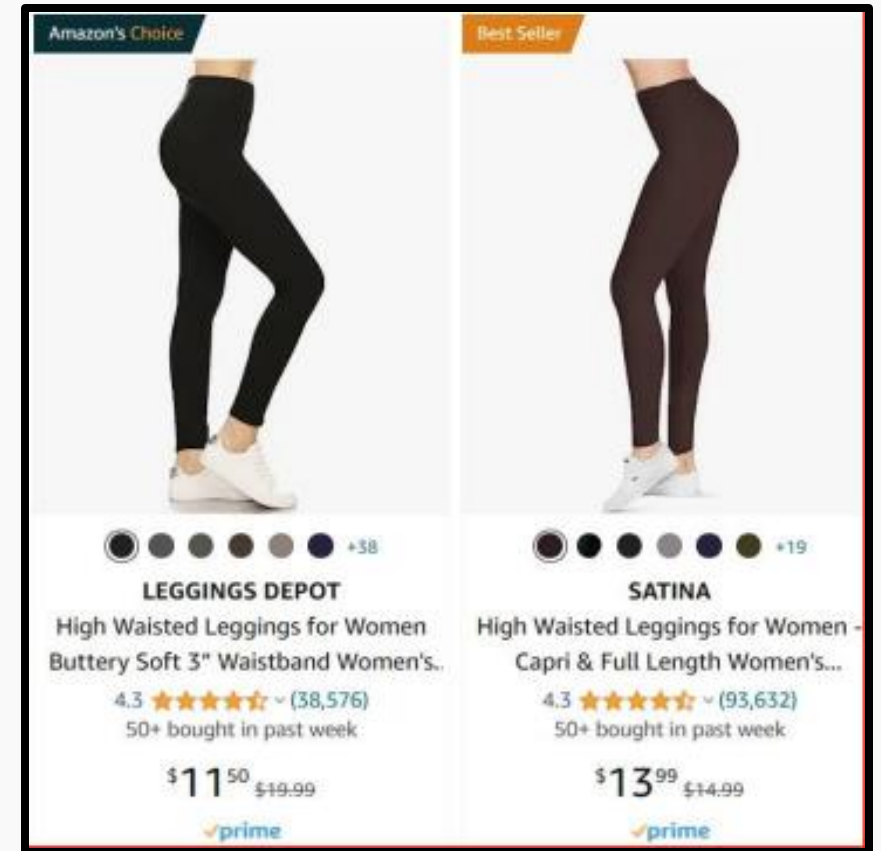
Established Brands

Limited patents

Similar products

Emerging Competitors

International Market



# Public Image



Pricing Pressure



Reliability

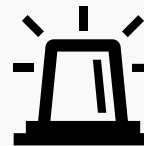


Green Washing

Brand



Scandals





---

**Pablo Samanez**

# Valuation & Conclusion

# Growth Rates Inputs



	Bear	Base	Bull
Revenue Growth	5%	7%	9%
Margin Expansion	-0.5%	0%	0.5%
Share Buybacks	1%	2%	3%
EPS Growth Rate	5.5%	9%	12.5%

# 5 Year EPS Model



Ticker: LULU

Price: \$262.56

Discount rate:

10%

## 5 Year Discounted Cash Flow

								Total Return				
							P/E	Price	PV	5 YR Return	Annual Return	
Bear	EPS	<u>Current</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	16.0x	\$276.85	\$171.90	5.4%	1.1%
		\$12.93	\$13.71	\$14.53	\$15.40	\$16.32	\$17.30	23.0x	\$397.97	\$247.11	51.6%	8.7%
			6%	6%	6%	6%	6%	27.0x	\$467.19	\$290.09	77.9%	12.2%
Base	EPS	<u>Current</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	16.0x	\$333.18	\$206.88	26.9%	4.9%
		\$12.93	\$14.22	\$15.65	\$17.21	\$18.93	\$20.82	23.0x	\$478.95	\$297.39	82.4%	12.8%
			10%	10%	10%	10%	10%	27.0x	\$562.25	\$349.11	114.1%	16.4%
Bull	EPS	<u>Current</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	16.0x	\$398.33	\$247.33	51.7%	8.7%
		\$12.93	\$14.74	\$16.80	\$19.16	\$21.84	\$24.90	23.0x	\$572.60	\$355.54	118.1%	16.9%
			14%	14%	14%	14%	14%	27.0x	\$672.18	\$417.37	156.0%	20.7%

# Margin of Safety



	Bear	Base	Bull
Present Value	\$247.11	\$297.39	\$355.54
Margin of Safety	-6%	12%	26%



# Sensitivity Analysis



Total RoR Sensitivity				
P / E		Est. EPS growth rate		
		6%	10%	14%
	16.0x	1.1%	4.9%	8.7%
	23.0x	8.7%	12.8%	16.9%
	27.0x	12.2%	16.4%	20.7%



# Recommendation

- Opportunity Cost
- Tax Loss Harvesting



# Questions?



Lululemon to make Team Canada's official Olympic gear through 2028.

Canadian athletes:



**I've never been more  
excited for an Olympic  
game before**



# Appendix



# Lululemon Leggings

## The Life Cycle



### Materials

- Base of the leggings is Luon = nylon + lycra
- crude oil required for nylon

### Energy

- During the extraction of the raw materials nylon + extraction the energy expended is:
  - Thermal
  - Kinetic
  - Chemical
  - Fossil Fuel

### Waste

- CO2 and benzene were released when the oil was extracted by drilling machines
- Nitro oxide released when processing synthetic nylon



### Materials

- Large quantities of water required to cool nylon
- adipic acid required when manufacturing nylon

### Energy

- Electricity, fossil, kinetic energy- hot air pump
- electricity, mechanical, + thermal: product distribution belt

### Waste

- Water pollution is produced when cooling and dyeing nylon
- CDA, printing machine, cutting machine, Flat lock sewing machine, and Bonding machine release CO2



### Materials

- FCS - certified materials instead of paper-packing to be more environmentally conscious
- use poly bags when shipping out goods

- Sustainable Packaging Policy, Sustainable Forestry

### Energy

- Transportation occurs by air, land, + sea:
  - Fossil Fuel
  - Kinetic
  - Chemical

### Waste

- Transfer by air produce CO2 and non-CO2 which include NOx, SO2 and particulate matter (soot)
- Transfer by ocean releases oil



### Materials

- Option to trade in existing leggings for store credit to promote reusing of the leggings
- Shoppers reused by consumers each time shopping

### Energy

- Mechanical + thermal Energy through washing leggings

### Waste

- Water Pollution and microfiber pollution from laundry nitrogen oxide release from processing synthetic nylon
- Washing machine generates CO2



### Materials

- REDrecycled relationship for a closed loop
- APCO framework for sustainable recycling guidelines
- Packaging Recyclability Evaluation Portal (PREP) for consumer labeling to create the best end-of-life solution based on recycling near customers

### Energy

- Expended materials + sent to recycle distribution site: Fossil Fuel

### Waste

- Recycle nylon into insulation, including stuffing for mattresses, furniture, cars



### Materials

- Damaged and excess products are resold, donated, or recycled to mitigate waste

### Energy

- Product is sent by land to distribution landfill site:

- Thermal
- Chemical
- Fossil fuel

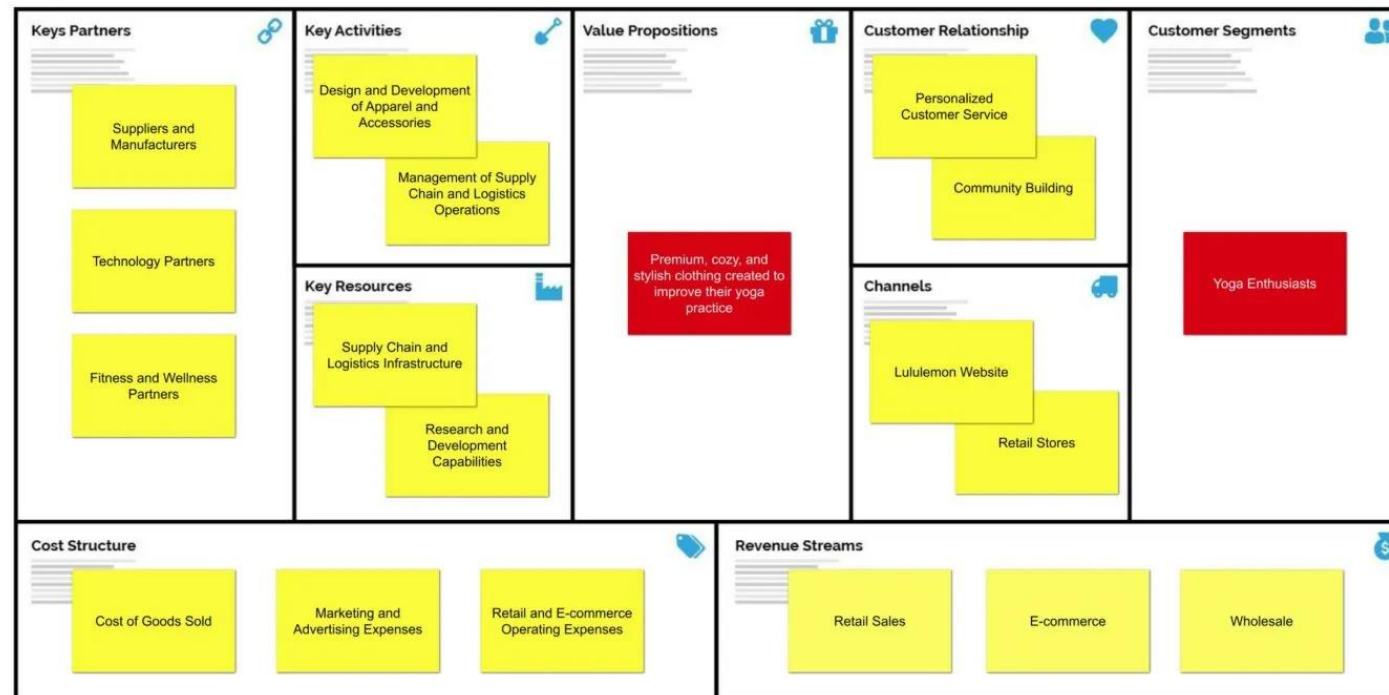
### Waste

- Landfills produce methane and CO2
- Converting carbon emissions into useful products like fuel
- Transforming ethanol into sustainable polyester.





## lululemon - Business Model Canvas



# High waisted pocketed leggings from market



- <https://www.fabletics.com/products/ANYWHERE-MOTION365-HIGH-WAISTED-POCKET-LEGGING-LG2457807-4846?psrc=cio-search>
- [https://www.nike.com/t/universa-womens-medium-support-high-waisted-7-8-leggings-with-pockets-zLJ7L4/DQ5897-410?\\_gl=1\\*9hb7bb\\*\\_up\\*MQ..&gclid=Cj0KCQjwjNS3BhChARIsAOxBM6pWtm9KqMj9ENatspYhcDpp-cNMKEsD3y\\_moosiCR-wGKB2NiSAQTQaAskhEALw\\_wcB&gclsrc=aw.ds&gbraid=0AAAAADy86kP3k19xy7cejHEorCCGlp18-](https://www.nike.com/t/universa-womens-medium-support-high-waisted-7-8-leggings-with-pockets-zLJ7L4/DQ5897-410?_gl=1*9hb7bb*_up*MQ..&gclid=Cj0KCQjwjNS3BhChARIsAOxBM6pWtm9KqMj9ENatspYhcDpp-cNMKEsD3y_moosiCR-wGKB2NiSAQTQaAskhEALw_wcB&gclsrc=aw.ds&gbraid=0AAAAADy86kP3k19xy7cejHEorCCGlp18-)
- <https://www.adidas.com/us/optime-essentials-stash-pocket-full-length-leggings/IW5460.html>
- [https://shop.lululemon.com/p/womens-leggings/Wunder-Train-HR-Tight-25-Contour-Pockets/\\_/prod11680691?color=0001](https://shop.lululemon.com/p/womens-leggings/Wunder-Train-HR-Tight-25-Contour-Pockets/_/prod11680691?color=0001)

# Fabric guide



- <https://www.eu.lululemon.com/en-lu/c/mens/product-guides/our-fabric-and-technology>





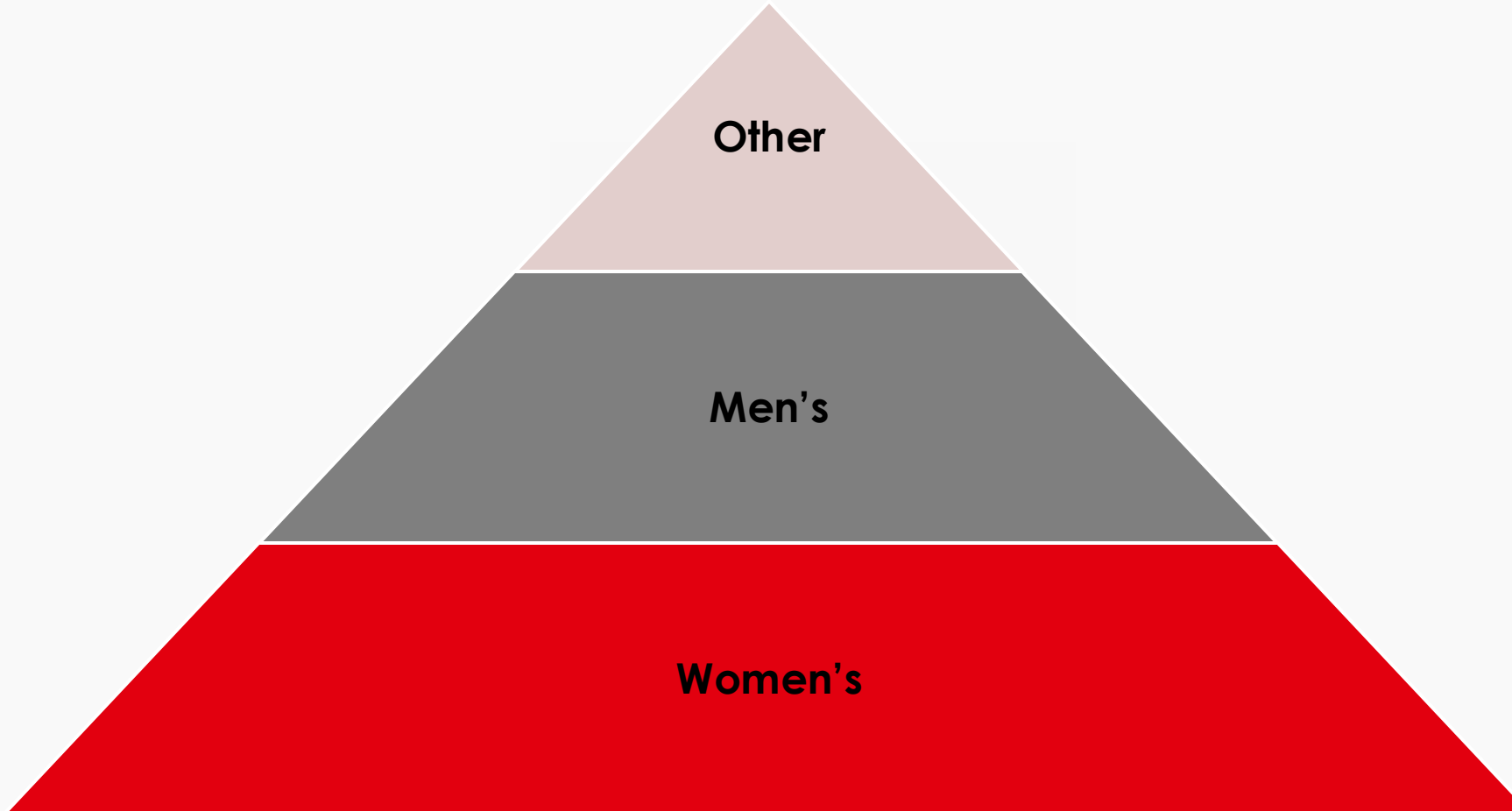
# Lululemon Hemming



- <https://shop.lululemon.com/help/hemming>



# Product Categories





- We operate an omni-channel retail model and aim to efficiently and effectively serve our guests in the ways most convenient to them. We continue to evolve and integrate our digital and physical channels in order to enrich our interactions with our guests, and to provide a seamless omni-channel experience. We have invested in technologies which enable our omni-channel retailing model. Our capabilities differ by market and include:
- Buy online pick-up in store - guests can purchase our products via our website or digital app and then collect that product from a retail location
- Back-back room - our store educators can access inventory located at our other locations and have product shipped directly to a guest's address or a store; 2
- • Ship from store – we are able to fulfill e-commerce orders by accessing inventory at both our distribution centers and at our retail locations, expanding the pool of accessible inventory;
- • Returns processing – e-commerce guests are able to return products either online or in-store; and
- • One inventory pool – we are able to view and allocate the product held at our distribution centers to either our physical retail locations, or make it available to fulfill online demand. We operate a combination of physical retail locations and e-commerce services via our websites, other region-specific websites, digital marketplaces, and mobile apps. Our physical retail locations remain a key part of our growth strategy and we view them as a valuable tool in helping us build our brand and product line as well as enabling our omni-channel capabilities. We plan to continue to expand square footage and open new company-operated stores to support our growth objectives.

# Risk Factors



## Risks related to our business and industry

- *Our success depends on our ability to maintain the value and reputation of our brand.*
- *Changes in consumer shopping preferences, and shifts in distribution channels could materially impact our results of operations.*
- *If any of our products have manufacturing or design defects or are otherwise unacceptable to us or our guests, our business could be harmed.*
- *We operate in a highly competitive market and our competitors may compete more effectively than we can, resulting in a loss of our market share and a decrease in our net revenue and profitability.*
- *Our sales and profitability may decline as a result of increasing costs and decreasing selling prices.*
- *If we are unable to anticipate consumer preferences and successfully develop and introduce new, innovative, and differentiated products, we may not be able to maintain or increase our sales and profitability.*
- *Our results of operations could be materially harmed if we are unable to accurately forecast guest demand for our products.*
- *Our limited operating experience and limited brand recognition in new international markets and new product categories may limit our expansion and cause our business and growth to suffer.*
- *If we continue to grow at a rapid pace, we may not be able to effectively manage our growth and the increased complexity of our business and as a result our brand image and financial performance may suffer.*
- *We are subject to risks associated with leasing retail and distribution space subject to long-term and non-cancelable leases.*
- *Our future success is substantially dependent on the service of our senior management and our ability to maintain our culture and to attract, manage, and retain highly qualified individuals.*
- *Our business is affected by seasonality, which could result in fluctuations in our operating results.*



#### Risks related to our supply chain

- *Disruptions of our supply chain could have a material adverse effect on our operating and financial results.*
- *We rely on international suppliers and any significant disruption to our supply chain could impair our ability to procure or distribute our products.*
- *A relatively small number of vendors supply and manufacture a significant portion of our products, and losing one or more of these vendors could adversely affect our business and results of operations.*
- *Our business could be harmed if our suppliers and manufacturers do not comply with our Vendor Code of Ethics or applicable laws.*
- *The fluctuating cost of raw materials could increase our cost of goods sold.*
- *If we encounter problems with our distribution system, our ability to deliver our products to the market and to meet guest expectations could be harmed.*
- *Increasing labor costs and other factors associated with the production of our products in South Asia and South East Asia could increase the costs to produce our products.*

#### Risks related to information security and technology

- *We may be unable to safeguard against security breaches which could damage our customer relationships and result in significant legal and financial exposure.*
- *Disruption of our technology systems or unexpected network interruption could disrupt our business.*
- *Our technology-based systems that give our customers the ability to shop with us online may not function effectively.*

#### Risks related to environmental, social, and governance issues

- *Climate change, and related legislative and regulatory responses to climate change, may adversely impact our business.*
- *Increased scrutiny from investors and others regarding our environmental, social, governance, or sustainability, responsibilities could result in additional costs or risks and adversely impact our reputation, employee retention, and willingness of customers and suppliers to do business with us.*



#### Risks related to global economic, political, and regulatory conditions

- *An economic recession, depression, downturn, periods of inflation, or economic uncertainty in our key markets may adversely affect consumer discretionary spending and demand for our products.*
- *Our financial condition could be adversely affected by global or regional health events such as the COVID-19 pandemic and related government, private sector, and individual consumer responsive actions.*
- *Global economic and political conditions could adversely impact our results of operations.*
- *We may be unable to source and sell our merchandise profitably or at all if new trade restrictions are imposed or existing restrictions become more burdensome.*
- *Changes in tax laws or unanticipated tax liabilities could adversely affect our effective income tax rate and profitability.*
- *Our failure to comply with trade and other regulations could lead to investigations or actions by government regulators and negative publicity.*
- *Because a significant portion of our net revenue and expenses are generated in countries other than the United States, fluctuations in foreign currency exchange rates have affected our results of operations and may continue to do so in the future.*

#### Risks related to intellectual property *Our fabrics and manufacturing*

- *technology generally are not patented and can be imitated by our competitors. If our competitors sell products similar to ours at lower prices, our net revenue and profitability could suffer.*
- *Our failure or inability to protect our intellectual property rights could diminish the value of our brand and weaken our competitive position.*
- *Our trademarks, patents, and other proprietary rights could potentially conflict with the rights of others and we may be prevented from selling some of our products.*
- *We have been, and in the future may be, sued by third parties for alleged infringement of their proprietary rights.*

#### Risks related to legal and governance matters

- *We are subject to periodic claims and litigation that could result in unexpected expenses and could ultimately be resolved against us.*
- *Our business could be negatively affected as a result of actions of activist stockholders or others.*
- *Anti-takeover provisions of Delaware law and our certificate of incorporation and bylaws could delay and discourage takeover attempts that stockholders may consider to be favorable.*
-





# Price Comparison



MENWOMENKIDSGIFTS  
SALENEW & TRENDING

helporders and returnsjoin a

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