Lululemon Financial Analysis:

Valuation using Discounted Cash Flow Model and the Comparables Method

Sebastian Trif
Anass Gamraoui

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Agenda

Executive Summary

Company Overview

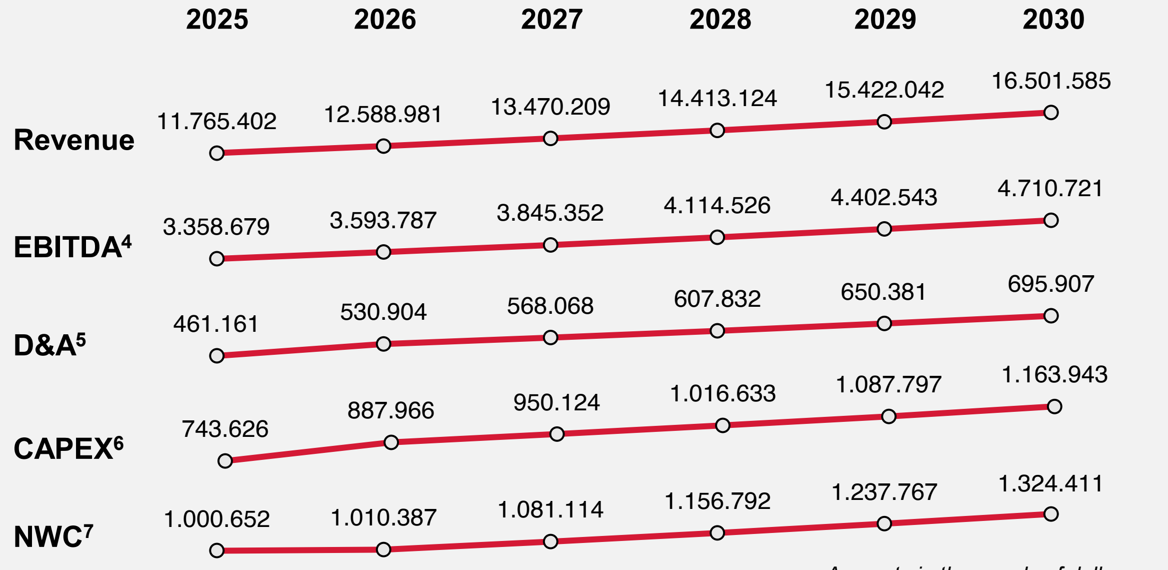
Premium athletic apparel brand headquartered in Canada, designing, distributing, and retailing technical performance wear, footwear, and accessories. Revenue primarily generated from the Americas (75%), China (13%), and RoW (12%)[1].

Opportunities

- Relatively low brand awareness outside Americas, generating a high gap for growth.
- Intense R&D capex focused on offering technically advanced products differentiating from its peers.
- China's modest recovery in high-end consumption signals positive demand for premium brands[3].

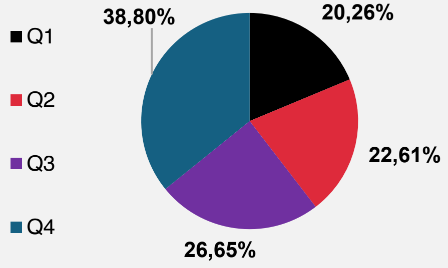
Risks

- Dependencies on few providers and limited ownership of its own facilities.
- Pronounced Q4 seasonality increases exposure to demand fluctuations and inventory risk.
- Tariff policies under Trump's administration could negatively impact margins, net income, and free cash flow[2].

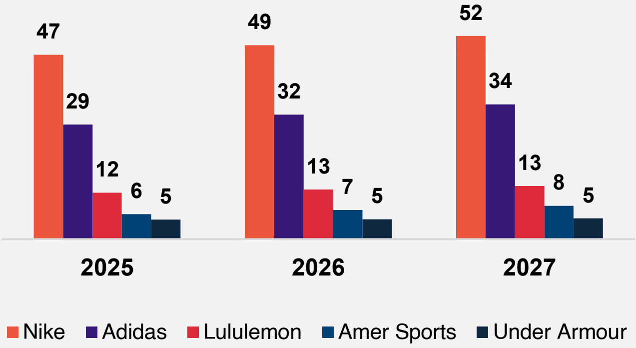


Amounts in thousands of dollars

Average Revenue per Quarters: (2021-2025E)



Lululemon and Peers' Estimated Revenue



	EV/EBITDA			P/E			FCF Yield		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Lululemon	6,6x	6,1x	5,7x	10,2x	9,3x	8,7x	9,39%	9,01%	9,36%
Nike	28,9x	20,3x	17,3x	41,9x	27,7x	22,5x	2,92%	4,27%	4,17%
Adidas	11,1x	9,4x	8,4x	24,5x	17,2x	14,4x	9,02%	10,00%	11,19%
Armer Sport	17,2x	14,5x	12,3x	37,4x	29,0x	22,9x	3,21%	3,65%	6,33%
Under Armour	13,4x	9,6x	7,4x	20,3x	21,7x	12,7x	5,82%	11,64%	14,35%
Levi's	10,6x	9,7x	9,0x	15,7x	14,2x	12,7x	9,20%	10,69%	11,12%
The Gap	7,5x	7,3x	6,9x	11,4x	10,8x	9,7x	14,41%	15,26%	15,39%

[1] Source of the data: Lululemon Annual Report, 2024
[2] Source of the data: The White House, 2025
[3] Source of the data: Reuters - Thomson, 2025
[4] *EBITDA* stands for Earnings Before Interest, Tax, Amortization and Depreciation; [5] *D&A:* Depreciation and Amortization; [6] *CAPEX*: Capital Expenditures; [7] *NWC*: Net Working Capital

Lululemon Revenue Projection: 2025 Second Half & Full-Year Estimates

Revenue growth remains robust, with H2 contributing 58% of total FY2025E sales, driven by strong Q4 performance.

Amounts in thousands of dollars	2020	2021	2022	2023	2024	2025E	Average
Year	**$4.401.879**	**$6.256.617**	**$8.110.518**	**$9.619.278**	**$10.588.126**	**$11.765.402**	
% growth	-	*42,14%*	*29,63%*	*18,60%*	*10,07%*	*11,12%*	*22,31%*
Sales per Quarter	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**Average**
Q1	$651.962	$1.226.465	$1.613.463	$2.000.792	$2.208.891	$2.370.660	
Q1/Total	14,81%	19,60%	19,89%	20,80%	20,86%	20,15%	*20,26%*
Q2	$902.942	$1.450.618	$1.868.328	$2.209.165	$2.371.078	$2.525.219	
Q2/Total	20,51%	23,19%	23,04%	22,97%	22,39%	21,46%	*22,61%*
Q3	$1.117.426	$1.450.421	$1.856.889	$2.204.218	$2.396.660	**$2.755.018**	
Q3/Total	25,39%	23,18%	22,89%	22,91%	22,64%	41,61%	*26,65%*
Q4	$1.729.549	$2.129.113	$2.771.838	$3.205.103	$3.611.497	**$4.114.506**	
Q4/Total	39,29%	34,03%	34,18%	33,32%	34,11%	58,39%	*38,80%*
Sales per Semester	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**Average**
H1	$1.554.904	$2.677.083	$3.481.791	$4.209.957	$4.579.969	$4.895.879	
H1/Total	35,32%	42,79%	42,93%	43,77%	43,26%	41,61%	*41,61%*
H2	$2.846.975	$3.579.534	$4.628.727	$5.409.321	$6.008.157	**$6.869.523**	
H2/Total	64,68%	57,21%	57,07%	56,23%	56,74%	58,39%	*58,39%*

H2 Quarter Proportion in %	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**Average**
Q3	*39,25%*	*40,52%*	*40,12%*	*40,75%*	*39,89%*	*40,16%*	*40,10%*
Q4	*60,75%*	*59,48%*	*59,88%*	*59,25%*	*60,11%*	***59,84%***	*59,90%*

Source: Lululemon Annual Report; A&S Finance Estimates.

Lululemon Analysis: Three-Statement Forecast Model

Amounts in thousands of dollars	Historical Period 2021	2022	2023	2024	CAGR	Projected Period 2025E	2026E	2027E	2028E	2029E	2030E
Sales	$6.256.617	$8.110.518	$9.619.278	$10.588.126	**19,17%**	$11.765.402	$12.588.981	$13.470.209	$14.413.124	$15.422.042	$16.501.585
% growth	**42,14%**	**29,63%**	**18,60%**	**10,07%**		**11,12%**	**7,00%**	**7,00%**	**7,00%**	**7,00%**	**7,00%**
COGS	$2.648.052	$3.618.178	$4.009.873	$4.317.315		$4.797.350	$5.133.165	$5.492.486	$5.876.960	$6.288.347	$6.728.532
% sales	*42,32%*	*44,61%*	*41,69%*	*40,78%*		*40,78%*	*40,78%*	*40,78%*	*40,78%*	*40,78%*	*40,78%*
Gross Profit	**$3.608.565**	**$4.492.340**	**$5.609.405**	**$6.270.811**	**20,22%**	**$6.968.052**	**$7.455.816**	**$7.977.723**	**$8.536.164**	**$9.133.695**	**$9.773.054**
% sales	*57,68%*	*55,39%*	*58,31%*	*59,22%*		*58,46%*	*59,22%*	*59,22%*	*59,22%*	*59,22%*	*59,22%*
SG&A	$2.225.034	$2.757.447	$3.397.218	$3.762.379		$4.180.712	$4.473.362	$4.786.497	$5.121.552	$5.480.060	$5.863.664
% sales	*35,56%*	*34,00%*	*35,32%*	*35,53%*		*35,53%*	*35,53%*	*35,53%*	*35,53%*	*35,53%*	*35,53%*
EBITDA	**$1.558.075**	**$1.624.362**	**$2.555.119**	**$3.022.601**	**24,72%**	**$3.358.679**	**$3.593.787**	**$3.845.352**	**$4.114.526**	**$4.402.543**	**$4.710.721**
% growth	55,06%	4,25%	57,30%	18,30%		11,12%	7,00%	7,00%	7,00%	7,00%	7,00%
% of sales	*24,90%*	*20,03%*	*26,56%*	*28,55%*		*28,55%*	*28,55%*	*28,55%*	*28,55%*	*28,55%*	*28,55%*
D&A	$224.206	$291.791	$379.384	$446.524		$461.161	$530.904	$568.068	$607.832	$650.381	$695.907
% of sales	*3,58%*	*3,60%*	*3,94%*	*4,22%*		*3,92%*	*4,22%*	*4,22%*	*4,22%*	*4,22%*	*4,22%*
EBIT	**$1.333.869**	**$1.332.571**	**$2.175.735**	**$2.576.077**	**24,53%**	**$2.897.519**	**$3.062.882**	**$3.277.284**	**$3.506.694**	**$3.752.162**	**$4.014.814**
% of sales	*21,32%*	*16,43%*	*22,62%*	*24,33%*		*24,63%*	*24,33%*	*24,33%*	*24,33%*	*24,33%*	*24,33%*
EBIAT	**$988.396**	**$987.435**	**$1.612.219**	**$1.908.873**		**$2.147.061**	**$2.269.595**	**$2.428.467**	**$2.598.460**	**$2.780.352**	**$2.974.977**
Plus: D&A	$224.206	$291.791	$379.384	$446.524		$461.161	$530.904	$568.068	$607.832	$650.381	$695.907
Less: CAPEX	-$394.502	-$638.657	-$651.865	-$689.232		-$743.626	-$887.966	-$950.124	-$1.016.633	-$1.087.797	-$1.163.943
Less: Inc/(Dec) in NWC	-$154.659	-$641.901	$313.016	-$49.689		-$55.394	-$9.735	-$70.727	-$75.678	-$80.975	-$86.644
Unlevered Free Cash Flow	**$663.441**	**-$1.331**	**$1.026.722**	**$1.616.476**		**$1.809.201**	**$1.902.798**	**$1.975.684**	**$2.113.981**	**$2.261.960**	**$2.420.297**

Source: Lululemon Annual Report; A&S Finance Estimates.

Enterprise Value and Implied Equity Valuation

Historical Period | **Projected Period**

Amounts in thousands of dollars	2021	2022	2023	2024	CAGR	2025E	2026E	2027E	2028E	2029E	2030E
EBIAT	**$988.396**	**$987.435**	**$1.612.219**	**$1.908.873**	**24,53%**	**$2.147.061**	**$2.269.595**	**$2.428.467**	**$2.598.460**	**$2.780.352**	**$2.974.977**
Plus: D&A	$224.206	$291.791	$379.384	$446.524		$461.161	$530.904	$568.068	$607.832	$650.381	$695.907
Less: CAPEX	-$394.502	-$638.657	-$651.865	-$689.232		-$743.626	-$887.966	-$950.124	-$1.016.633	-$1.087.797	-$1.163.943
Less: Inc/(Dec) in NWC	-$154.659	-$641.901	$313.016	-$49.689		-$55.394	-$9.735	-$70.727	-$75.678	-$80.975	-$86.644
Unlevered Free Cash Flow	**$663.441**	**-$1.331**	**$1.026.722**	**$1.616.476**		**$1.809.201**	**$1.902.798**	**$1.975.684**	**$2.113.981**	**$2.261.960**	**$2.420.297**
WACC: **9,315%**											
Discount Period.(T - 0,5)							0,5	1,5	2,5	3,5	4,5
Discount Factor							0,96	0,87	0,80	0,73	0,67
Present Value of Free Cash Flow							**$1.819.923**	**$1.728.613**	**$1.692.005**	**$1.656.173**	**$1.621.100**

Enterprise Value	
PV of FCF Sum (2026E:2030E)	$8.517.816
Terminal Year FCF (2030E)	$1.621.100
Exit Multiple	17,3
Terminal Value	$81.495.475
Discount Factor	0,640621049
Present Value of Terminal Value	$52.207.717
% of Enterprise Value	*85,97%*
Enterprise Value	**$60,725,533**

Implied Equity Value and Share Price	
Enterprise Value	**$60.725.533**
Less: Total Debt	-
Less: Noncontrolling Interest	-
Plus: Cash and Cash Equivalents	$1.984.336
Implied Equity Value	**$62.709.869**
Number of Shares	119.680
Implied Share Price (2030)	*.$523,98*
Margin of Safety	**66,03%**

Terminal Value using Exit Multiple Method	
Terminal Year EBITDA (2030E)	**$4.710.721**
Exit Multiple	17,30
Terminal Value	$81.495.475
Enterprise Value	**$60.725.533**

Implied Perpetuity Growth Rate	
Terminal Year FCF (2030)	**$2.420.297**
WACC	9,32%
Terminal Value	$81.495.475
Implied Perpetuity Growth Rate	6,0%

Source: Lululemon Annual Report; A&S Finance Estimates.

WACC Calculation and Debt Composite

Comparable Companies Unlevered Beta

Company	Predicted Levered Beta	Market Value of Debt	Market Value of Equity	Debt/Equity	Marginal Tax Rate	Unlevered Beta
Nike	1,110	$11.061	$99.580	11,11%	23,00%	1,023
Adidas	0,800	$5.476	$39.880	13,73%	29,00%	0,729
Amer Sport	1,500	$1.585	$17.090	9,27%	22,00%	1,399
Under Armour	1,430	$1.675	$2.000	83,75%	24,00%	0,874
Lululemon	1,070	$0	$21.303.040	0,00%	25,00%	1,070
Lululemon Unlevered Beta	1,070					

Lululemon Relevered Beta Calculation

	Mean Unlevered Beta	Target Debt/Equity	Target Marginal Tax Rate	Relevered Beta
Relevered Beta	1,070	0,00%	25,00%	1,07

Lululemon Capitalization	
Cash and Cash Equivalents	$1.984.336
Bonds	-
Bank loans	-
Other Financial Liabilities	-
Gross Debt (W/out Leases)	-
Gross Debt (W Leases)	$1.762.718

Shareholders' Equity	$4.324.047
Market Cap	$21.303.040
Outstanding Shares	119.680
Price	$178
Net Debt (W/out Leases)	-$1.984.336

Debt/Equity	-
Debt/Total Capitalization	-
Equity/Total Capitalization	100,00%

Cost of Equity	
Risk-Free Rate	4,50%
Equity Risk Premium	5%
Levered Beta	1,07
Size Premium	-
Cost of Equity	**9,32%**

WACC[7]	9,32%

Debt Table	*in millions of dollars*
US Debt	406,8
Americas Revolver (committed)	400
Americas Letters of Credit	6,8
China Debt	48,9
China Revolver	41,6
Revolving Loan	27,7
Guarantee Facility	13,9
China Letters of Credit	7,3

Source: Lululemon Annual Report; A&S Finance Estimates.

[7]WACC equals Cost of Equity as Lululemon operates with no net debt position.

Perpetuity Growth Method, Enterprise Value and Implied EV/LTM EBITDA Sensitivity Analysis

Terminal Value using PGM	
Terminal Year FCF (2030E)	**$2.420.297,88**
WACC	9,32%
Perpetuity Growth Rate	6,02%
Terminal Value	$77.945.961

Implied Exit Multiple	
Terminal Value	**$77.945.961**
Terminal Year EBITDA (2030E)	$4.710.721
WACC	9,32%
Implied Exit Multiple	17,30

Enterprise Value

WACC	Exit Multiple								
	15,3x	*15,8x*	*16,3x*	*16,8x*	*17,3x*	*17,8x*	*18,3x*	*18,8x*	*19,3x*
7,32%	$58.656.911	$60.371.205	$62.085.500	$63.799.795	$65.514.089	$67.228.384	$68.942.678	$70.656.973	$72.371.268
7,82%	$57.442.691	$59.121.499	$60.800.307	$62.479.115	$64.157.924	$65.836.732	$67.515.540	$69.194.348	$70.873.156
8,32%	$56.259.051	$57.903.266	$59.547.482	$61.191.697	$62.835.912	$64.480.127	$66.124.343	$67.768.558	$69.412.773
8,82%	$55.105.084	$56.715.574	$58.326.064	$59.936.553	$61.547.043	$63.157.533	$64.768.023	$66.378.512	$67.989.002
9,32%	$53.979.916	$55.557.522	$57.135.128	$58.712.733	$60.290.339	$61.867.945	$63.445.551	$65.023.156	$66.600.762
9,82%	$52.882.700	$54.428.239	$55.973.778	$57.519.317	$59.064.855	$60.610.394	$62.155.933	$63.701.472	$65.247.011
10,32%	$51.812.621	$53.326.885	$54.841.150	$56.355.415	$57.869.680	$59.383.945	$60.898.210	$62.412.474	$63.926.739
10,82%	$50.768.887	$52.252.648	$53.736.409	$55.220.170	$56.703.931	$58.187.691	$59.671.452	$61.155.213	$62.638.974
11,32%	$49.750.736	$51.204.741	$52.658.746	$54.112.750	$55.566.755	$57.020.759	$58.474.764	$59.928.769	$61.382.773

Implied Enterprise Value/LTM EBITDA

WACC	Exit Multiple								
	15,3x	*15,8x*	*16,3x*	*16,8x*	*17,3x*	*17,8x*	*18,3x*	*18,8x*	*19,3x*
7,32%	20,14	20,71	21,27	21,84	22,41	22,97	23,54	24,11	24,67
7,82%	19,78	20,34	20,89	21,45	22,00	22,56	23,11	23,66	24,22
8,32%	19,43	19,98	20,52	21,06	21,61	22,15	22,69	23,24	23,78
8,82%	19,09	19,62	20,16	20,69	21,22	21,75	22,28	22,82	23,35
9,32%	18,76	19,28	19,80	20,32	20,84	21,37	21,89	22,41	22,93
9,82%	18,44	18,95	19,46	19,97	20,48	20,99	21,50	22,01	22,52
10,32%	18,12	18,62	19,12	19,62	20,12	20,62	21,12	21,62	22,12
10,82%	17,81	18,30	18,79	19,28	19,77	20,26	20,75	21,24	21,73
11,32%	17,51	17,99	18,47	18,95	19,43	19,91	20,39	20,87	21,35

Source: Lululemon Annual Report; A&S Finance Estimates.
Sensitivity analysis shows EV range between $55B and $67B under reasonable assumptions, implying 19x–22x LTM EBITDA multiples.

Implied Perpetuity Growth Rate, PV of TV % of EV and Implied Equity Value Sensitivity Analysis

Implied Perpetuity Growth Rate

WACC	Exit Multiple 15,3x	15,8x	16,3x	16,8x	17,3x	17,8x	18,3x	18,8x	19,3x
7,32%	3,8%	3,9%	4,0%	4,1%	4,2%	4,3%	4,4%	4,5%	4,5%
7,82%	4,3%	4,4%	4,5%	4,6%	4,7%	4,8%	4,9%	4,9%	5,0%
8,32%	4,8%	4,9%	5,0%	5,1%	5,2%	5,3%	5,3%	5,4%	5,5%
8,82%	5,3%	5,4%	5,5%	5,6%	5,7%	5,8%	5,8%	5,9%	6,0%
9,32%	5,7%	5,9%	6,0%	6,1%	6,2%	6,2%	6,3%	6,4%	6,5%
9,82%	6,2%	6,3%	6,4%	6,5%	6,6%	6,7%	6,8%	6,9%	7,0%
10,32%	6,7%	6,8%	6,9%	7,0%	7,1%	7,2%	7,3%	7,4%	7,4%
10,82%	7,2%	7,3%	7,4%	7,5%	7,6%	7,7%	7,8%	7,9%	7,9%
11,32%	7,7%	7,8%	7,9%	8,0%	8,1%	8,2%	8,3%	8,3%	8,4%

PV of Terminal Value % of EV

WACC	Exit Multiple 15,3x	15,8x	16,3x	16,8x	17,3x	17,8x	18,3x	18,8x	19,3x
7,32%	85,8%	86,2%	86,6%	86,9%	87,3%	87,6%	87,9%	88,2%	88,4%
7,82%	85,6%	86,0%	86,3%	86,7%	87,0%	87,4%	87,7%	87,9%	88,2%
8,32%	85,3%	85,7%	86,1%	86,5%	86,8%	87,1%	87,4%	87,7%	88,0%
8,82%	85,1%	85,5%	85,9%	86,2%	86,6%	86,9%	87,2%	87,5%	87,8%
9,32%	84,8%	85,2%	85,6%	86,0%	86,3%	86,6%	87,0%	87,3%	87,6%
9,82%	84,5%	84,9%	85,3%	85,7%	86,1%	86,4%	86,7%	87,0%	87,3%
10,32%	84,3%	84,7%	85,1%	85,5%	85,8%	86,2%	86,5%	86,8%	87,1%
10,82%	84,0%	84,4%	84,8%	85,2%	85,6%	85,9%	86,3%	86,6%	86,9%
11,32%	83,7%	84,2%	84,6%	85,0%	85,3%	85,7%	86,0%	86,3%	86,6%

Implied Equity Value

WACC	Exit Multiple 15,3x	15,8x	16,3x	16,8x	17,3x	17,8x	18,3x	18,8x	19,3x
7,32%	$60.641.247	$62.355.541	$64.069.836	$65.784.131	$67.498.425	$69.212.720	$70.927.014	$72.641.309	$74.355.604
7,82%	$59.427.027	$61.105.835	$62.784.643	$64.463.451	$66.142.260	$67.821.068	$69.499.876	$71.178.684	$72.857.492
8,32%	$58.243.387	$59.887.602	$61.531.818	$63.176.033	$64.820.248	$66.464.463	$68.108.679	$69.752.894	$71.397.109
8,82%	$57.089.420	$58.699.910	$60.310.400	$61.920.889	$63.531.379	$65.141.869	$66.752.359	$68.362.848	$69.973.338
9,32%	$55.964.252	$57.541.858	$59.119.464	$60.697.069	$62.274.675	$63.852.281	$65.429.887	$67.007.492	$68.585.098
9,82%	$54.867.036	$56.412.575	$57.958.114	$59.503.653	$61.049.191	$62.594.730	$64.140.269	$65.685.808	$67.231.347
10,32%	$53.796.957	$55.311.221	$56.825.486	$58.339.751	$59.854.016	$61.368.281	$62.882.546	$64.396.810	$65.911.075
10,82%	$52.753.223	$54.236.984	$55.720.745	$57.204.506	$58.688.267	$60.172.027	$61.655.788	$63.139.549	$64.623.310
11,32%	$51.735.072	$53.189.077	$54.643.082	$56.097.086	$57.551.091	$59.005.095	$60.459.100	$61.913.105	$63.367.109

Source: Lululemon Annual Report; A&S Finance Estimates.
At base case (WACC = 9.3 %, Exit Multiple = 17.8x), Lululemon’s implied g = 6 % and TV represents = 86 % of Enterprise Value.

Comparables Companies Analysis

Amounts in millions of dollars

Company	Equity Value	Enterprise Value	EV/EBITDA 2025E	EV/EBITDA 2026E	EV/EBITDA 2027E	P/E 2025E	P/E 2026E	P/E 2027E	FCF Yield 2025E	FCF Yield 2026E	FCF Yield 2027E
Lululemon	$21.430	$22.037	6,6x	6,1x	5,7x	10,2x	9,3x	8,7x	9,39%	9,01%	9,36%
Nike	$102.159	$104.645	28,9x	20,3x	17,3x	41,9x	27,7x	22,5x	2,92%	4,27%	4,17%
Adidas	$38.916	$44.170	11,1x	9,4x	8,4x	24,5x	17,2x	14,4x	9,02%	10,00%	11,19%
Amer Sport	$17.613	$18.912	17,2x	14,5x	12,3x	37,4x	29,0x	22,9x	3,21%	3,65%	6,33%
Under Armour	$2.028	$2.792	13,4x	9,6x	7,4x	20,3x	21,7x	12,7x	5,82%	11,64%	14,35%
Levi's	$8.118	$9.077	10,6x	9,7x	9,0x	15,7x	14,2x	12,7x	9,20%	10,69%	11,12%
The Gap	$8.705	$11.865	7,5x	7,3x	6,9x	11,4x	10,8x	9,7x	14,41%	15,26%	15,39%
High	$102.159	$104.645	28,9x	20,3x	17,3x	41,9x	29,0x	22,9x	14,41%	15,26%	15,39%
75th Percentile	$33.590	$37.855	16,3x	13,3x	11,5x	34,2x	26,2x	20,5x	9,15%	11,40%	13,56%
Mean	$29.590	$31.910	14,8x	11,8x	10,2x	25,2x	20,1x	15,8x	7,43%	9,25%	10,42%
Median	$13.159	$15.388	12,3x	9,7x	8,7x	22,4x	19,5x	13,6x	7,42%	10,34%	11,16%
25th Percentile	$8.264	$9.774	10,7x	9,5x	7,7x	16,9x	15,0x	12,7x	3,86%	5,70%	7,53%
Low	$2.028	$2.792	7,5x	7,3x	6,9x	11,4x	10,8x	9,7x	2,92%	3,65%	4,17%

Source: Lululemon Annual Report; A&S Finance Estimates.
Source: Consensus estimates for comepetitors

Company Overview – Key Financials & Trading Multiples

Balance Sheet Data

Amounts in thousands of dollars	2024A	30/06/2025
Cash & Cash Equivalents	$1.984.336	$1.155.794
Accounts Receivable	$120.173	$139.258
Inventories	$1.442.081	$1.722.570
Prepaids & Other Current Assets	$433.712	$511.106
Total Current Assets	**$3.980.302**	**$3.528.728**
Property,P&E net	$1.780.617	$1.917.361
Right-of-use lease assets	$1.416.256	$1.605.009
Goodwill & Intangibles Assets	$171.191	$172.907
Other Assets	$254.926	$299.434
Total Assets	**$7.603.292**	**$7.523.439**
Accounts Payable	$271.406	$373.333
Accrued Liabilities	$559.463	$423.933
Current lease liabilities	$275.154	$297.919
Other Current Liabilities	$733.607	$462.161
Total Current Liabilities	**$1.839.630**	**$1.557.346**
Long Term Debt	-	-
Long Term Leases	$1.300.637	$1.464.799
Other non-current Liabilities	$138.978	$114.015
Total Liabilities	**$3.279.245**	**$3.136.160**
Non-controlling Interest	-	-
Preferred Stock	-	-
Shareholders' Equity	$4.324.047	$4.387.279
Total Liabilities & Equity	**$7.603.292**	**$7.523.439**

Growth Rates

	Sales	EBITDA	FCF	EPS
Historical				
1-year	10,07%	17,52%	-3,70%	20,01%
2-year CAGR	14,26%	34,99%	119,78%	48,08%
Estimated				
1-year	11,12%	13,77%	27,03%	20,40%
2-year CAGR	5,41%	6,66%	10,41%	9,73%
Long-Term				10,0%

General Information	
Company Name	**Lululemon athletica inc**
Ticker	LULU
Stock Exchange	NASDAQ
Fiscal Year Ending	Feb - 2025
Predicted Beta	1,06
Marginal Tax Rate	25,9%

Trading Multiples

	LTM 30/09/2025	NFY 2025E	NFY+1 2026E	NFY+2 2027e
EV/Sales	2,02x	1,87x	1,75x	1,64x
Sales	$10.904.036	$11.765.402	$12.588.981	$13.470.209
EV/EBITDA	7,28x	6,56x	6,13x	5,73x
.EBITDA	$3.027.330	$3.358.679	$3.593.787	$3.845.352
EV/EBIT	8,66x	7,61x	7,19x	6,72x
EBIT	$2.545.894	$2.897.519	$3.062.882	$3.277.284
P/E	12,72x	10,16x	9,33x	8,72x
EPS	$14,1	$17,6	$19,2	$20,5
FCF Yield	5,45%	9,39%	9,01%	9,36%
FCF/Share	$9,76	$16,81	$16,13	$16,75

Calculation of Fully Diluted Shares Outstanding	
Basic Shares Outstanding	119.600
(+) Plus: Shares from In-the-Money Options	80
(-) Less: Shares Repurchased	-
= Net New Shares from Options	80
(+) Plus: Shares from Convertible Securities	-
= Fully Diluted Shares Outstanding	119.680[8]

Source: Lululemon Annual Report; A&S Finance Estimates.

[8] in millions

Lululemon Balance Sheet

Amounts in thousands except per share amount	2020	2021	2022	2023	2024	2025 Q1	2025 Q2
Cash and cash equivalents	$1.150.517	$1.259.871	$1.154.867	$2.243.971	$1.984.336	$1.325.272	$1.155.794
Accounts receivable net	$62.399	$77.001	$132.906	$124.769	$120.173	$141.241	$139.258
Inventories	$647.230	$966.481	$1.447.367	$1.323.602	$1.442.081	$1.652.091	$1.722.570
Prepaid and receivable income taxes	$139.126	$118.928	$185.641	$183.733	$182.253	$230.280	$323.227
Prepaid expenses and other current assets	$125.107	$192.572	$238.672	$184.502	$251.459	$233.633	$187.879
Current Assets Total	**$2.124.379**	**$2.614.853**	**$3.159.453**	**$4.060.577**	**$3.980.302**	**$3.582.517**	**$3.528.728**
Property and equipment net	$745.687	$927.710	$1.269.614	$1.545.811	$1.780.617	$1.846.609	$1.917.361
Right-of-use lease assets	$734.835	$803.543	$969.419	$1.265.610	$1.416.256	$1.549.401	$1.605.009
Goodwill	$386.877	$386.880	$24.144	$24.083	$159.518	$167.359	$172.907
Intangible assets net	$80.080	$71.299	$21.961	$0	$11.673	$10.642	$9.308
Deferred income tax assets	$6.731	$6.091	$6.402	$9.176	$17.085	$17.598	$21.417
Other non-current assets	$106.626	$132.102	$156.045	$186.684	$237.841	$256.417	$268.709
Non-Current Assets Total	**$2.060.836**	**$2.327.625**	**$2.447.585**	**$3.031.364**	**$3.622.990**	**$3.848.026**	**$3.994.711**
Accounts payable	$172.246	$289.728	$172.732	$348.441	$271.406	$303.975	$373.333
Accrued liabilities and other	$226.867	$330.800	$399.223	$348.555	$559.463	$506.996	$423.933
Accrued compensation and related expenses	$130.171	$204.921	$248.167	$326.110	$204.543	$144.222	$148.895
Current lease liabilities	$166.091	$188.996	$207.972	$249.270	$275.154	$281.837	$297.919
Current income taxes payable	$8.357	$133.852	$174.221	$12.098	$183.126	$31.276	$26.746
Unredeemed gift card liability	$155.848	$208.195	$251.478	$306.479	$308.352	$271.076	$252.334
Other current liabilities	$23.598	$48.842	$38.405	$40.308	$37.586	$33.003	$34.186
Current Liabilities Total	**$883.178**	**$1.405.334**	**$1.492.198**	**$1.631.261**	**$1.839.630**	**$1.572.385**	**$1.557.346**
Non-current lease liabilities	$632.590	$692.056	$862.362	$1.154.012	$1.300.637	$1.424.945	$1.464.799
Non-current income taxes payable	$43.150	$38.074	$28.555	$15.864	$0		
Deferred income tax liabilities	$58.755	$53.352	$55.084	$29.522	$98.188	$98.189	$62.400
Other non-current liabilities	$8.976	$13.616	$20.040	$29.201	$40.790	$45.454	$51.615
Non-Current Liabilities Total	**$743.471**	**$797.098**	**$966.041**	**$1.228.599**	**$1.439.615**	**$1.568.588**	**$1.578.814**
Common stock, $0.005 par value; 400,000 shares authorized; 116,166 and 121,106 issued and outstanding	626	616	616	606	581	574	570
Additional paid-in capital	388.667	422.507	474.645	575.369	638.190	632.564	632.375
Retained earnings	$2.346.428	$2.512.840	$2.926.127	$3.920.362	$4.109.717	$3.993.154	$4.085.559
Accumulated other comprehensive loss	-$177.155	-$195.917	-$252.584	-$264.256	-$424.441	-$336.722	-$331.225
Total stockholders' Equity	**$2.558.566**	**$2.740.046**	**$3.148.804**	**$4.232.081**	**$4.324.047**	**$4.289.570**	**$4.387.279**

Source: Lululemon Annual Report; A&S Finance Estimates.

Lululemon Profit and Loss Statement

Amounts in thousands except per share amount	2020	2021	2022	2023	2024	2025 Q1	2025 Q2
Net revenue	**$4.401.879**	**$6.256.617**	**$8.110.518**	**$9.619.278**	**$10.588.126**	**$2.370.660**	**$2.525.219**
Cost of goods sold	$1.937.888	$2.648.052	$3.618.178	$4.009.873	$4.317.315	$987.534	$1.048.017
Gross profit	**$2.463.991**	**$3.608.565**	**$4.492.340**	**$5.609.405**	**$6.270.811**	**$1.383.126**	**$1.477.202**
Selling, general and administrative expenses	$1.609.003	$2.225.034	$2.757.447	$3.397.218	$3.762.379	$942.871	$951.658
Impairment of goodwill and other assets, restructuring costs	-	-	$407.913	$74.501	-	-	-
Amortization of intangible assets	$5.160	$8.782	$8.752	$501	$2.735	$1.630	$1.730
Acquisition-related expenses	-	$41.394	-	-	-	-	-
Gain on disposal of assets	-	-	-$1.018	-	-	-	-
Income from operations	$819.986	$1.333.355	$1.328.408	$2.132.676	$2.505.697	$438.625	$523.814
Other income (expense), net	-$636	$514	$4.163	$43.059	$7.038	$11.786	$9.737
Income before income tax expense	**$819.350**	**$1.333.869**	**$1.332.571**	**$2.175.735**	**$2.576.077**	**$450.411**	**$533.551**
Income tax expense	$230.437	$358.547	$477.771	$625.545	$761.461	$135.839	$162.646
Net income	**$588.913**	**$975.322**	**$854.800**	**$1.550.190**	**$1.814.616**	**$314.572**	**$370.905**
Other comprehensive income (loss), net of tax:							
Foreign currency translation adjustment	$71.731	-$28.494	-$65.571	-$23.077	-$253.209	$169.772	$4.707
Net investment hedge gains (losses)	-$25.305	$9.732	$8.904	$11.405	$93.024	-$82.053	$790
Other comprehensive income (loss), net of tax	**$47.426**	**-$18.762**	**-$56.667**	**-$11.672**	**-$160.185**	**$87.719**	**$5.497**
Comprehensive income	**$636.339**	**$956.560**	**$798.133**	**$1.538.518**	**$1.654.431**	**$402.291**	**$376.402**
Earnings per share:							
Basic earnings per share	$4,52	$7,52	$6,70	$12,23	$14,67	$2,61	$3,10
Diluted earnings per share	$4,50	$7,49	$6,68	$12,20	$14,64	$2,60	$3,10
Weighted-average number of shares outstanding:							
Basic weighted-average number of shares outstanding	130.289	129.768	127.666	126.726	123.735	120.632	119.600
Diluted weighted-average number of shares outstanding	130.871	130.295	128.017	127.060	123.935	120.843	119.680

Source: Lululemon Annual Report; A&S Finance Estimates.

Lululemon Cash Flow Statement

Amounts in thousands except per share amount	2021	2022	2023	2024	2025 Q1	2025 Q2
Net income	**$975.322**	**$854.800**	**$1.550.190**	**$1.814.616**	**$314.572**	**$370.905**
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation and amortization	$224.206	$291.791	$379.384	$446.524	$114.529	$119.715
Lululemon Studio obsolescence provision	-	$62.928	$23.709	-	-	-
Impairment of goodwill and other assets restructuring costs	-	$407.913	$74.501	-	-	-
Gain on disposal of assets	-	-$10.180	-	-	-	-
Stock-based compensation expense	$69.137	$78.075	$93.560	$90.011	$23.091	-$1.844
Derecognition of unredeemed gift card liability	-$18.699	-$23.337	-$28.547	-$36.231		
Settlement of derivatives not designated in a hedging relationship	$15.191	-$38.649	$32.527	-$47.763	-$47.520	$35.599
Deferred income taxes	-$5.180	$3.042	-$28.383	$57.451		
Changes in operating assets and liabilities:						
Accounts receivable	-	-$58.987	$6.580	$1.626	-$18.504	$2.575
Inventories	-$323.609	-$573.438	$66.584	-$156.085	-$174.319	-$63.584
Prepaid and receivable income taxes	$20.108	-$66.714	$1.908	-$2.031	-$48.027	-$92.947
Prepaid expenses and other current assets	-$82.404	-$54.833	$40.587	-$71.789	$22.676	$46.361
Other non-current assets	-$17.556	-$36.518	-$53.280	-$73.205	-$13.524	-$19.806
Accounts payable	$117.655	-$107.280	$177.367	-$57.044	$22.489	$68.665
Accrued liabilities and other	$103.878	$65.364	-$71.734	$193.139	-$42.971	-$88.669
Accrued compensation and related expenses	$75.273	$47.254	$70.327	-$112.110	-$65.635	$4.386
Current and non-current income taxes payable	$120.778	$35.986	-$173.196	$157.205	-$160.295	-$4.919
Unredeemed gift card liability	$71.441	$68.266	$84.315	$42.410	-$40.665	-$18.951
Right-of-use lease assets and current and non-current lease liabilities	$13.494	$23.905	$37.535	$23.501	-$2.924	$148
Other current and non-current liabilities	$30.073	-$2.925	$12.230	$2.488	-$1.927	-$28.958
Net cash provided by operating activities	**$1.389.108**	**$966.463**	**$2.296.164**	**$2.272.713**	**-$118.954**	**$328.676**

Source: Lululemon Annual Report; A&S Finance Estimates.

Lululemon Cash Flow Statement

Amounts in thousands except per share amount	2021	2022	2023	2024	2025 Q1	2025 Q2
Cash flows from investing activities						
Purchase of property and equipment	-$394.502	-$638.657	-$651.865	-$689.232	-$152.263	-$177.898
Settlement of net investment hedges	-$23.389	$47.804	-$1.609	$50.213	$48.671	-$35.220
Acquisition net of cash acquired	-	-	-	-$154.146	-	-
Other investing activities	-$10.000	$20.916	-$658	-$5.009	-$3.250	$0
Net cash used in investing activities	**-$427.891**	**-$569.937**	**-$654.132**	**-$798.174**	**-$106.842**	**-$213.118**
Cash flows from financing activities						
Proceeds from settlement of stock-based compensation	$18.194	$11.704	$42.430	$19.813	$221	$5.257
Taxes paid related to net share settlement of stock-based compensation	-$49.809	-$35.158	-$32.574	-$35.410	-$25.641	-$873
Repurchase of common stock	-$812.602	-$444.001	-$558.652	-$1.636.879	-$434.439	-$281.233
Other financing activities	-$770	-$32	-$32	-$32	-$8.115	$0
Net cash used in financing activities	**-$844.987**	**-$467.487**	**-$548.828**	**-$1.652.508**	**-$467.974**	**-$276.849**
Effect of foreign currency exchange rate changes on cash and cash equivalents	-$6.876	-$34.043	-$4.100	-$81.666	$34.706	-$8.187
Increase (decrease) in cash and cash equivalents	$109.354	-$105.004	$1.089.104	-$259.635	-$659.064	-$169.478
Cash and cash equivalents beginning of period	**$1.150.517**	**$1.259.871**	**$1.154.867**	**$2.243.971**	**$1.984.336**	**$1.984.336**
Cash and cash equivalents end of period	**$1.259.871**	**$1.154.867**	**$2.243.971**	**$1.984.336**	**$1.325.272**	**$1.814.858**

Source: Lululemon Annual Report; A&S Finance Estimates.

Nike and Adidas Insights

	Nike				Adidas			
in millions of dollars	**2025E**	**2026E**	**2027E**	**CAGR**	**2025E**	**2026E**	**2027E**	**CAGR**
Sales	**$46.758**	**$49.177**	**$51.563**	**5,01%**	**$29.070**	**$31.612**	**$34.206**	**8,47%**
% growth	*0,97%*	*5,17%*	*4,85%*		*5,32%*	*8,74%*	*8,21%*	
COGS	**$27.259**	**$27.831**	**$28.388**		**$14.187**	**$15.288**	**$16.443**	
% of sales	*58,30%*	*56,59%*	*55,05%*		*48,80%*	*48,36%*	*48,07%*	
Gross Profit	**$19.499**	**$21.346**	**$23.175**	**9,02%**	**$14.883**	**$16.324**	**$17.763**	**9,25%**
EBITDA	**$3.617**	**$5.150**	**$6.061**	**29,45%**	**$4.010**	**$4.683**	**$5.236**	**14,27%**
% margin	*7,74%*	*10,47%*	*11,75%*		*13,79%*	*14,81%*	*15,31%*	
Depreciation & Amortization	$790	$837	$854		$1.430	$1.508	$1.593	
% of sales	*1,69%*	*1,70%*	*1,66%*		*4,92%*	*4,77%*	*4,66%*	
EBIT	**$3.067**	**$4.486**	**$5.305**	**31,52%**	**$2.510**	**$3.194**	**$3.741**	**22,08%**
Net Income	**$2.439**	**$3.657**	**$4.341**	**33,41%**	**$1.645**	**$2.205**	**$2.665**	**27,28%**
Capex	**$902**	**$937**	**$924**	**1,20%**	**$677**	**$676**	**$672**	**-0,37%**
% of sales	*1,93%*	*1,91%*	*1,79%*		*2,33%*	*2,14%*	*1,96%*	
FCF	**$2.071**	**$3.369**	**$4.473**	**46,96%**	**$1.626**	**$2.705**	**$2.867**	**32,79%**
(FCF/EV)	*2,03%*	*3,30%*	*4,34%*		*3,62%*	*6,02%*	*6,44%*	
Net debt	**$2.323**	**$3.060**	**$3.314**	**19,44%**	**$3.383**	**$2.495**	**$1.621**	**-30,78%**
EV	**$101.999**	**$101.970**	**$103.037**	**0,51%**	**$44.912**	**$44.957**	**$44.506**	**-0,45%**
EV/EBITDA	$28,20	$19,80	$17,00		$11,20	$9,60	$8,50	
Net Debt/EBITDA	*64,22%*	*59,41%*	*54,67%*		*84,36%*	*53,27%*	*30,95%*	
ROE	*18,33%*	*27,59%*	*32,43%*		*6,63%*	*8,91%*	*9,68%*	

Working Capital	**2025E**	**2026E**	**2027E**	**2025E**	**2026E**	**2027E**
Accounts Receivable	$4.299,90	$4.522,35	$4.741,77	$2.918,53	$3.173,74	$3.434,17
DSO	**33,57**	**33,57**	**33,57**	**36,64**	**36,64**	**36,64**
Inventory	$8.101,67	$8.271,67	$8.437,10	$6.308,45	$6.798,03	$7.311,61
DIH	**108,48**	**108,48**	**108,48**	**162,30**	**162,30**	**162,30**
Accounts Payable	$3.136,65	$3.202,47	$3.266,52	$3.189,33	$3.436,84	$3.696,49
DPO	**42,00**	**42,00**	**42,00**	**82,05**	**82,05**	**82,05**
NWC	**$9.264,91**	**$9.591,55**	**$9.912,35**	**$6.037,66**	**$6.534,93**	**$7.049,29**
Change in NWC	**-$537,91**	**-$326,64**	**-$320,80**	**-$1.019,01**	**-$497,27**	**-$514,36**

Source: Lululemon Annual Report; A&S Finance Estimates.

Amer Sports and Under Armour Insights

in millions of dollars	Amer Sports 2025E	Amer Sports 2026E	Amer Sports 2027E	Amer Sports CAGR	Under Armour 2025E	Under Armour 2026E	Under Armour 2027E	Under Armour CAGR
Sales	**$6.360**	**$7.371**	**$8.493**	**15,56%**	**$4.949**	**$5.069**	**$5.253**	**3,03%**
% growth	*22,70%*	*15,90%*	*15,22%*		*-4,17%*	*2,42%*	*3,63%*	
COGS	**$2.704**	**$3.078**	**$3.497**		**$2.664**	**$2.698**	**$2.783**	
% of sales	*42,52%*	*41,76%*	*41,18%*		*53,83%*	*53,23%*	*52,98%*	
Gross Profit	**$3.656**	**$4.293**	**$4.996**	**16,90%**	**$2.285**	**$2.371**	**$2.470**	**3,97%**
EBITDA	**$1.102**	**$1.304**	**$1.543**	**18,33%**	**$212**	**$293**	**$379**	**33,71%**
% margin	*17,33%*	*17,69%*	*18,17%*		*4,28%*	*5,78%*	*7,21%*	
Depreciation & Amortization	$321,00	$367,00	$420,00		$127	$128	$134	
% of sales	*5,05%*	*4,98%*	*4,95%*		*2,57%*	*2,53%*	*2,55%*	
EBIT	**$778**	**$966**	**$1.180**	**23,15%**	**$89**	**$158**	**$234**	**62,15%**
Net Income	**$480**	**$626**	**$781**	**27,56%**	**$21**	**$93**	**$155**	**171,68%**
Capex	**$293**	**$329**	**$362**	**11,15%**	**$161**	**$170**	**$176**	**4,55%**
% of sales	*4,61%*	*4,46%*	*4,26%*		*3,25%*	*3,35%*	*3,35%*	
FCF	**$207**	**$415**	**$529**	**59,86%**	**-$64**	**$92**	**$129**	**41,97%**
(FCF/EV)	*1,12%*	*2,26%*	*2,88%*		*-2,30%*	*3,31%*	*4,66%*	
Net debt	**$900**	**$751**	**-$510**	**-24,72%**	**$816**	**$777**	**$691**	**-7,98%**
EV	**$18.403**	**$18.386**	**$18.362**	**-0,11%**	**$2.777**	**$2.784**	**$2.767**	**-0,19%**
EV/EBITDA	$16,70	$14,10	$11,90		$13,10	$9,50	$7,30	
Net Debt/EBITDA	*81,66%*	*57,59%*	*33,05%*		*384,90%*	*265,18%*	*182,32%*	
ROE	*8,63%*	*10,25%*	*11,68%*		*0,39%*	*4,65%*	*7,92%*	

Working Capital	Amer Sports 2025E	Amer Sports 2026E	Amer Sports 2027E	Under Armour 2025E	Under Armour 2026E	Under Armour 2027E
Accounts Receivable	$962,77	$1.115,81	$1.285,66	$642,11	$657,68	$681,55
DSO	**55,25**	**55,25**	**55,25**	**47,36**	**47,36**	**47,36**
Inventory	$1.200,35	$1.366,37	$1.552,37	$868,18	$879,26	$906,96
DIH	**162,03**	**162,03**	**162,03**	**118,95**	**118,95**	**118,95**
Accounts Payable	$563,56	$641,51	$728,83	$491,61	$497,89	$513,57
DPO	**76,07**	**76,07**	**76,07**	**67,36**	**67,36**	**67,36**
NWC	**$1.599,56**	**$1.840,68**	**$2.109,20**	**$1.018,67**	**$1.039,05**	**$1.074,94**
Change in NWC	**-$318,16**	**-$241,12**	**-$268,52**	**$173,04**	**-$20,38**	**-$35,89**

Source: Lululemon Annual Report; A&S Finance Estimates.

Lululemon Insights

Implied Equity Value and Share Price – DCF Method	
Enterprise Value (*2030*)	**$60.725.533**
Less: Total Debt (No incl. Leases)	-
Less: Noncontrolling Interest	-
Plus: Cash and Cash Equivalents	$1.984.336
Implied Equity Value (*2030*)	**$62.709.869**
Number of Shares	119.680
Implied Share Price (2030)	*$523,98*
Margin of Safety	**66,03%**

Amounts in thousands except per share amount

Implied Equity Value and Share Price – Comparable Method	
Estimated EBITDA (*2027*)	**$3.845.352**
EV / EBITDA Multiple (2027)	10,2x
Enterprise Value (*2027*)	**$30.411.993**
Less: Net Debt (LTM incl. Leases)	$606.924
Implied Equity Value (*2027*)	**$29.805.069**
Number of Shares	119.680
Implied Share Price (2027)	*$249.04*
Margin of Safety	**39,91%**

Amounts in thousands except per share amount

Both methods suggest Lululemon remains undervalued relative to intrinsic value.

Strengths & Opportunities

- Financial resilience: Gross margins around 40% and strong free cash flow generation over the last four years.
- Expansion potential: Low penetration in Asia and Europe, with sustained *"Men's is one of our largest and most exciting areas of future growth."* – Calvin McDonald, CEO
- Digital leadership: Over 43% of sales through e-commerce.

Risks & Challenges

- Macroeconomic pressure: The discretionary nature of athleisure makes demand sensitive to inflation and consumer sentiment.
- Slowing North American growth: Core markets show signs of maturity, with growth shifting toward international regions.
- Competition & tariffs: Intensifying rivalry and import duties could limit margin expansion.

Source: Lululemon Annual Report; A&S Finance Estimates.

Business Inquiries

Disclaimer: This content is for educational purposes only and does not constitute investment advice or financial recommendation.

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syafinanc@gmail.com

A&S Finance

Anass Gamraoui

Sebastian Trif