

lululemon athletica inc.

Vertical premium apparel + community flywheel: ambassadors, studios, and run clubs build demand locally → guests buy at full price through ~825 owned stores and e-commerce (≈90% of FY25 revenue) → a free, spend-tiered Membership keeps them coming back → China and Rest of World now carry growth while the Americas slows. FY25 revenue \$11.1B (FACT 10-K).

BUSINESS MODEL CANVAS

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Research date: Oct 4, 2026

Evidence-backed · sources in companion brief

KEY PARTNERS

- ~51 product vendors; top five = 47% of output (FACT 10-K).
- Made in Vietnam 40%, Cambodia 18%, Sri Lanka 11%, Indonesia 11% (FACT).
- ~65 fabric suppliers; Taiwan 34%, China Mainland 29% (FACT).
- Ambassadors + fitness studios = local credibility (FACT 10-K / corporate site).
- 45 third-party licensed stores, mostly Middle East (FACT).
- Peloton provides digital classes to members (FACT 10-K / membership page).

KEY ACTIVITIES

- Fabric + fit R&D with independent testing (FACT 10-K).
- Run 811 owned stores (Feb 2026) → 825 (Aug 2026) (FACT).
- **Omni-channel ops** — BOPIS, ship-from-store, one inventory pool (FACT).
- Ambassador + store community programming (FACT corporate site).
- **Like New re-commerce** — inspect and resell trade-ins (FACT 10-K).

KEY RESOURCES

- Premium brand; 56.6% FY25 gross margin (FACT).
- Proprietary fabrics protected as trade secrets (FACT 10-K).
- 811 stores; \$1,426 sales per sq ft FY25 (FACT).
- Owned DC in Groveport, Ohio (FACT 10-K).
- ~39,000 employees worldwide (FACT 10-K).
- Ambassador network + Membership data (INFERENCE as moat).

VALUE PROPOSITIONS

- Technical fabrics + flattering fits (FACT 10-K).
- Built for yoga, run, train, golf, tennis (FACT).
- Women's 63% / men's 24% / accessories 13% of FY25 revenue (FACT).
- Free hemming + receipt-free returns for members (FACT).
- Like New trade-in for credit (FACT).

CUSTOMER RELATIONSHIPS

- Free Membership, US & Canada (FACT).
- **Tiers by yearly spend** — Collective / Plus / Pinnacle (FACT).
- **Perks** — early drops, hemming, receipt-free returns, events (FACT).
- Ambassadors + store community events (FACT corporate).
- Sweat Collective 25% off for fitness pros (FACT help center).
- **Member count not disclosed** — not shown.

CHANNELS

- Company-operated stores \$5.05B (FACT).
- E-commerce \$4.92B incl. app, WeChat, marketplaces (FACT).
- **Other channels \$1.13B** — outlets, pop-ups, wholesale, Like New, licensees (FACT).
- 58 outlets clear older inventory (FACT).
- 825 owned stores by Aug 2, 2026 (FACT Q2 FY26).

CUSTOMER SEGMENTS

- Women's apparel 63% of FY25 revenue (FACT).
- **Men's 24%** — growth pillar (FACT).
- Americas 71% of revenue, ~1% (FACT).
- China Mainland 16%, +28.9% (FACT).
- Fitness pros, studios, corporate buyers (FACT).

COST STRUCTURE

- COGS \$4.82B = 43.4% of FY25 revenue (FACT).
- SG&A \$4.07B = 36.6% (FACT).
- Advertising \$617.5M FY25 (FACT 10-K).
- Distribution costs \$359.7M (FACT).
- Q2 FY26 tariff refunds \$134.5M (FACT).

REVENUE STREAMS

- FY25 net revenue \$11.10B, +5% (FACT).
- Women's \$7.0B · men's \$2.66B · accessories \$1.44B (FACT).
- Membership = \$0 (FACT).
- Q2 FY26 revenue \$2.42B, ~4%; comps ~9% (FACT).
- FY26 guide \$10.35–\$10.50B (FACT).

Sources: sec.gov/Archives/edgar · corporate.lululemon.com/our-business/innovation · sec.gov/Archives/edgar · shop.lululemon.com/membership · sec.gov/Archives/edgar
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