Lululemon Projects Higher Comparable Sales for the Holidays

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Lululemon is continuing its momentum into the new year, reporting that comparable sales for its fourth quarter ended Feb. 2, which encompasses the holiday shopping season, will be in the high teens. The company, as a result, revised its guidance upward for the quarter.

The higher than expected results at the athletic apparel retailer is a morsel of good news following last week, when a number of retailers reported either comparable sales declines for the November to December shopping period, or indicated that profit margins would be under pressure because of increased promotional activity.

The brand joins Costco, which reported a comparable sales increase of 9% for the five weeks ended Jan. 5, in posting encouraging holiday sales numbers. Lululemon released the numbers leading up its meetings with analysts and investors at the ICR Conference in Orlando, Fla. this week.

Calvin McDonald, Lululemon's CEO, said in a statement that customers were responding well to its merchandise offerings. McDonald arrived at the company this month, after Lululemon's chief operating officer, Stuart Haselden, left for direct-to-consumer suitcase company Away. Another recent C-suite hire at Lulumenon is Nikki Neuburger as chief brand officer, a newly created role. She will join the company on Jan. 20 to lead the retailer's marketing, creative, communication and

sustainability efforts.

The retailer said net revenue will likely be in the range of $1.37 billion to $1.38 billion, compared to previous guidance of nearly $1.32 billion to $1.33 billion based on the expectation of comparable sales in the low double digits. Guidance for diluted earnings per share was also revised upward to $2.22 to $2.25 compared to prior guidance of $2.10 to $2.13.

Lululemon’s stock was up more than 2% in pre-market trading, at about $240 per share. The company makes athletic apparel focused on activities such as yoga, running and training.

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