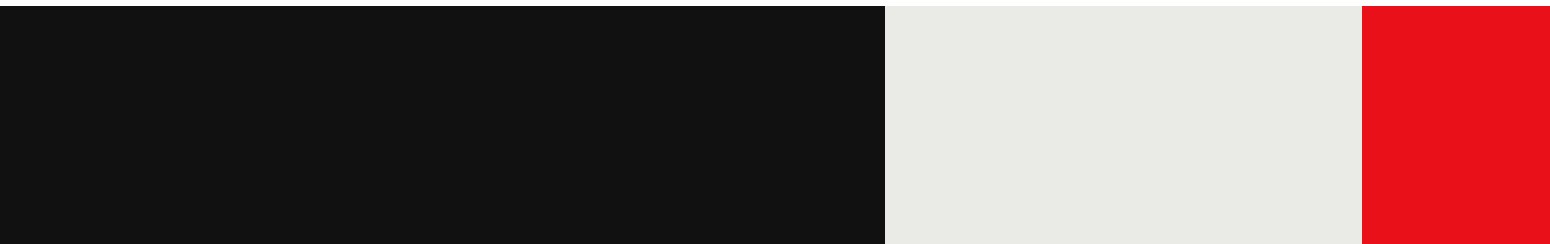


# Lululemon athletica sees no signs of softening demand

## Article



**The news:** Lululemon athletica raised its full-year outlook after yet another solid quarter, as demand for high-end athleisure shows no signs of softening.

- The retailer's sales rose 24% year-over-year (YoY) to \$2.0 billion, outpacing the \$1.93 billion forecast by a Refinitiv analyst poll.
- 

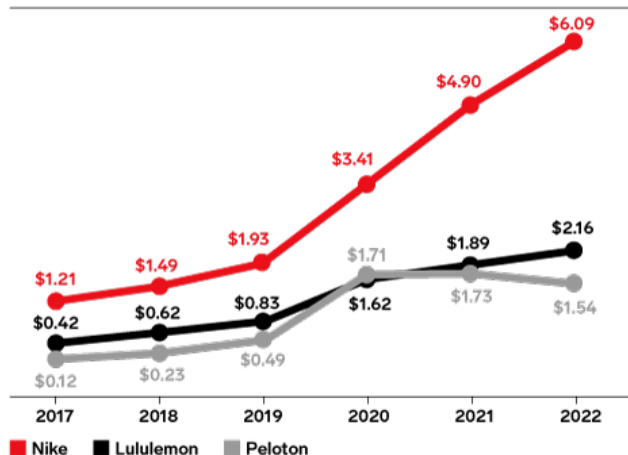
- Earnings per share came in at \$2.28, beating expectations of \$1.98.

**Zoom out:** Activewear has been a rare bright spot for retailers in Q1, with premium brands like lululemon, **On Running**, **Vuori**, and **Hoka** notching significant sales gains.

- **Nordstrom** specifically attributed its strong performance in the Active category in Q1 to significant customer interest in offerings from Vuori, Hoka, and On.
- Hoka’s net sales grew 40.3% YoY in the quarter ended March 31, while global revenues for fiscal 2023 topped \$1.4 billion.
- Startups Vuori and **Alo Yoga** also benefited from the shift to designer athleisure; the former currently has a \$4 billion valuation and plans to open 100 locations worldwide, while the latter generated over \$1 billion in sales in 2022.

**The big takeaway:** While it helps that lululemon, On, and Hoka cater to a more affluent consumer base, they have also successfully managed to carve out reputations for both fashion and performance, enabling them to stay top-of-mind with consumers.

**Digital Fitness Brands US D2C Ecommerce Sales, by Company, 2017-2022**  
billions



Note: includes products sold digitally and sold directly to consumers via their owned and operated sites, bypassing standard distribution methods through a retailer, wholesaler, or third-party platform such as a marketplace  
Source: eMarketer, March 2022

276457 eMarketer | InsiderIntelligence.com