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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): December 2, 2021**

**ULTA BEAUTY, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-33764**  
(Commission  
File Number)

**38-4022268**  
(IRS Employer  
Identification No.)

**1000 Remington Blvd., Suite 120, Bolingbrook, Illinois  
60440**

(Address of Principal Executive Offices and zip code)

**(630) 410-4800**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 C.F.R. §230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 C.F.R. §240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 C.F.R. §240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 C.F.R. §240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                      | Trading Symbol | Name of each exchange on which registered |
|--|----------------|---|
| Common Stock, par value \$0.01 per share | ULTA           | The NASDAQ Global Select Market           |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 Results of Operations and Financial Condition.**

On December 2, 2021, Ulta Beauty, Inc. issued a press release regarding its consolidated financial results for the third quarter ended October 30, 2021. A copy of the press release is furnished as Exhibit 99.1 to this report.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

The exhibit listed in the Exhibit Index below is being furnished herewith.

| <i>Exhibit<br/>No.</i> | <i>Description</i>   |
|------------------------|--|
| 99.1                   | <a href="#"><u>Press release issued by Ulta Beauty, Inc. on December 2, 2021 announcing consolidated financial results for the third quarter ended October 30, 2021.</u></a> |
| 104                    | Cover Page Interactive Data File (the cover page tags are embedded within the Inline XBRL document)  |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ULTA BEAUTY, INC.

Date: December 2, 2021

By: /s/ Jodi J. Caro

Jodi J. Caro

General Counsel, Chief Risk & Compliance Officer



## ULTA BEAUTY ANNOUNCES RECORD THIRD QUARTER FISCAL 2021 RESULTS

**Net Sales of \$2.0 Billion Compared to \$1.6 Billion in the Year-Ago Quarter**  
**Comparable Sales Increased 25.8%**  
**Net Income of \$215.3 Million or \$3.94 Per Diluted Share**  
**Company Raises Full Year Guidance**

Bolingbrook, IL – December 2, 2021 – Ulta Beauty, Inc. (NASDAQ: ULTA) today announced financial results for the thirteen-week period (“third quarter”) and thirty-nine-week period (“first nine months”) ended October 30, 2021 compared to the same periods ended October 31, 2020.

| (Dollars in millions)                           | 13 Weeks Ended      |                     |                     |
|---|---------------------|---------------------|---------------------|
|   | October 30,<br>2021 | October 31,<br>2020 | November 2,<br>2019 |
| Net sales                                       | \$ 1,995.8          | \$ 1,552.0          | \$ 1,682.5          |
| Comparable sales                                | 25.8%               | (8.9)%              | 3.2%                |
| Gross profit (as a percentage of net sales)     | 39.6%               | 35.1%               | 37.1%               |
| Selling, general and administrative expenses    | \$ 503.4            | \$ 416.4            | \$ 449.2            |
| Operating income (as a percentage of net sales) | 14.2%               | 6.5%                | 10.0%               |
| Diluted earnings per share                      | \$ 3.94             | \$ 1.32             | \$ 2.25             |
| New store openings, net                         | 6                   | (2)                 | 28                  |

“The Ulta Beauty team delivered outstanding results again this quarter. For the third quarter, we delivered record sales and earnings, increased our market share, and expanded our Ultimate Rewards loyalty program to nearly 36 million members,” said Dave Kimbell, chief executive officer. “This strong third quarter performance reflects the strength and resiliency of the Beauty category, the power of the Ulta Beauty differentiated model, and the impact of our winning culture and team. I want to express my sincere appreciation to all of our Ulta Beauty associates for their incredible efforts to serve our guests and deliver these excellent results.”

### For the Third Quarter of Fiscal 2021

- Net sales increased 28.6% to \$2.0 billion compared to \$1.6 billion in the third quarter of fiscal 2020 due to the favorable impact from stronger consumer confidence and fewer COVID-19 restrictions compared to the third quarter of fiscal 2020.
- Comparable sales (sales for stores open at least 14 months, including stores temporarily closed due to COVID-19, and e-commerce sales) increased 25.8% compared to a decrease of 8.9% in the third quarter of fiscal 2020, driven by a 16.8% increase in transactions and a 7.7% increase in average ticket. Compared to the third quarter of fiscal 2019, comparable sales increased 14.3%.

- Gross profit increased to \$789.5 million compared to \$545.5 million in the third quarter of fiscal 2020. As a percentage of net sales, gross profit increased to 39.6% compared to 35.1% in the third quarter of fiscal 2020, primarily due to leverage of fixed costs, favorable channel mix shifts, leverage of salon expenses, and improvement in merchandise margins.
- Selling, general and administrative (SG&A) expenses increased to \$503.4 million compared to \$416.4 million in the third quarter of fiscal 2020. As a percentage of net sales, SG&A expenses decreased to 25.2% compared to 26.8% in the third quarter of fiscal 2020, primarily due to leverage of corporate overhead, store expenses and store payroll and benefits due to higher sales, partially offset by higher marketing expenses.
- There were no impairment, restructuring and other costs in the third quarter of 2021 compared to \$23.6 million in the third quarter of 2020.
- Pre-opening expenses decreased to \$1.8 million compared to \$4.2 million in the third quarter of fiscal 2020.
- Operating income increased to \$284.2 million, or 14.2% of net sales, compared to \$101.3 million, or 6.5% of net sales, in the third quarter of fiscal 2020. Adjusted operating income for the third quarter of fiscal 2020 was \$124.9 million, or 8.0% of net sales.
- The company's tax rate decreased to 24.1% compared to 25.1% in the third quarter of fiscal 2020. The lower effective tax rate is primarily due to favorable provision to tax return adjustments, driven by federal employment tax credits, compared to third quarter of fiscal 2020.
- Net income increased to \$215.3 million compared to \$74.8 million in the third quarter of fiscal 2020. Adjusted net income for the third quarter of fiscal 2020 was \$92.5 million.
- Diluted earnings per share increased to \$3.94 including a \$0.01 benefit due to income tax accounting for share-based compensation, compared to \$1.32 in the third quarter of fiscal 2020. Adjusted diluted earnings per share for the third quarter of fiscal 2020 was \$1.64.

#### **For the First Nine Months of Fiscal 2021**

- Net sales increased 49.3% to \$5.9 billion compared to \$4.0 billion in the first nine months of fiscal 2020, primarily due to the favorable impact from improving consumer confidence, government stimulus payments, and the easing of COVID-19 restrictions, as compared to the first nine months of fiscal 2020.
  - Comparable sales increased 47.1% compared to a decrease of 23.8% in the first nine months of fiscal 2020, driven by a 40.7% increase in transactions and a 4.6% increase in average ticket. Compared to the first nine months of fiscal 2019, comparable sales increased 11.5%.
  - Gross profit increased to \$2.3 billion compared to \$1.2 billion in the first nine months of fiscal 2020. As a percentage of net sales, gross profit increased to 39.7% compared to 29.8% in the first nine months of fiscal 2020, primarily due to leverage of fixed costs, improvement in merchandise margins, leverage of salon expenses, and favorable channel mix shifts.
  - SG&A expenses increased to \$1.4 billion compared to \$1.1 billion in the first nine months of fiscal 2020. As a percentage of net sales, SG&A expenses decreased to 23.9% compared to 27.1% in the first nine months of fiscal 2020, due to leverage of corporate overhead and store expenses due to higher sales, partially offset by store payroll and
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benefits primarily due to less employee retention credits received under the CARES Act, and higher marketing expenses.

- There were no impairment, restructuring and other costs recognized in the first nine months of fiscal 2021, compared to \$83.9 million in the first nine months of fiscal 2020.
- Pre-opening expenses decreased to \$7.8 million compared to \$12.8 million in the first nine months of fiscal 2020.
- Operating income increased to \$921.9 million, or 15.6% of net sales, compared to \$12.5 million, or 0.3% of net sales, in the first nine months of fiscal 2020. Adjusted operating income for the first nine months of fiscal 2020 was \$97.9 million, or 2.5% of net sales.
- The company's tax rate decreased to 24.4% compared to 40.3% in the first nine months of fiscal 2020. The lower effective tax rate is primarily due to a benefit from the income tax accounting for share-based compensation and favorable provision to tax return adjustments, driven by federal employment tax credits, compared to fiscal 2020.
- Net income increased to \$696.5 million compared to \$4.3 million in the first nine months of fiscal 2020. Adjusted net income for the first nine months of fiscal 2020 was \$68.8 million.
- Diluted earnings per share increased to \$12.60 including a \$0.08 benefit due to income tax accounting for share-based compensation, compared to \$0.08 in the first nine months of fiscal 2020. Adjusted diluted earnings per share for the first nine months of fiscal 2020 was \$1.22.

### **Balance Sheet**

Cash and cash equivalents at the end of the third quarter of fiscal 2021 were \$605.1 million.

Merchandise inventories, net at the end of the third quarter of fiscal 2021 totaled \$1.92 billion compared to \$1.44 billion at the end of the third quarter of fiscal 2020. The \$477.2 million increase in inventory was primarily due to the addition of 40 net new stores opened since October 31, 2020, and the acceleration of inventory receipts to support expected demand and mitigate anticipated global supply chain disruptions.

### **Share Repurchase Program**

During the third quarter of fiscal 2021, the Company repurchased 340,668 shares of its common stock at a cost of \$126.4 million. During the first nine months of fiscal 2021, the Company repurchased 2,330,244 shares of its common stock at a cost of \$762.2 million. As of October 30, 2021, \$759.8 million remained available under the \$1.6 billion share repurchase program announced in March 2020.

### **Store Update**

Real estate activity in the third quarter of fiscal 2021 included seven new stores located in Arden, NC; Atlanta, GA; Batavia, NY; Greensboro, NC; Hickory, NC; Ithaca, NY; and Johnstown, PA. In addition, the Company relocated two stores, remodeled three stores, and closed one store. In the first nine months of fiscal 2021, the Company opened 42 new stores, relocated four stores, remodeled eight stores, and closed four stores.

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At the end of the third quarter of fiscal 2021, the company operated 1,302 stores totaling 13.7 million square feet.

### **Fiscal 2021 Outlook**

Based on the results for the first nine months of fiscal 2021 and revised expectations for consumer demand, the Company has increased its outlook for fiscal 2021.

The Company's updated outlook for fiscal 2021 is as follows:

|                                       | <b>Prior FY21 Outlook</b>      | <b>Updated FY21 Outlook</b>    |
|---------------------------------------|--------------------------------|--------------------------------|
| Net sales                             | \$8.1 billion to \$8.3 billion | \$8.5 billion to \$8.6 billion |
| Comparable sales                      | 30% to 32%                     | 36% to 37%                     |
| New stores, net                       | 44                             | no change                      |
| Remodel and relocation projects       | 18                             | 17                             |
| Operating margin                      | approximately 13%              | 14.3% to 14.5%                 |
| Diluted earnings per share            | \$14.50 to \$14.70             | \$16.70 to \$17.10             |
| Share repurchases                     | approximately \$850 million    | no change                      |
| Effective tax rate                    | 24.8%                          | 24.4%                          |
| Capital expenditures                  | \$225 million to \$250 million | \$200 million to \$225 million |
| Depreciation and amortization expense | \$270 million to \$280 million | no change                      |

The Company's outlook for fiscal 2021 assumes a consistent federal tax rate and no material increases in the federal minimum wage.

### **Non-GAAP Financial Information**

In this press release, the Company provides information regarding adjusted operating income, adjusted net income, and adjusted diluted earnings per share, which are not recognized terms under U.S. generally accepted accounting principles (GAAP) and do not purport to be alternatives to operating income, net income, and diluted earnings per share as measures of operating performance. A reconciliation of adjusted operating income, adjusted net income, and adjusted diluted earnings per share is provided in this release. The Company believes the presentation of these non-GAAP financial measures provides additional information on comparisons between periods by excluding certain items that affect overall comparability and provides investors with enhanced visibility into its results with respect to the impact of certain costs. Non-GAAP financial measures should be considered in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

### **Conference Call Information**

A conference call to discuss third quarter of fiscal 2021 results is scheduled for today, December 2, 2021, at 4:30 p.m. ET / 3:30 p.m. CT. Investors and analysts interested in participating in the call are invited to dial (877) 705-6003. The conference call will also be webcast live at <https://ulta.com/investor>. A replay of the webcast will remain available for 90 days. A replay of the conference call will be available until 11:59 p.m. ET on December 16, 2021 and can be accessed by dialing (844) 512-2921 and entering conference ID number 13725135.

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## About Ulta Beauty

At Ulta Beauty (NASDAQ: ULTA), the possibilities are beautiful. Ulta Beauty is the largest U.S. beauty retailer and the premier beauty destination for cosmetics, fragrance, skin care products, hair care products and salon services. In 1990, the Company reinvented the beauty retail experience by offering a new way to shop for beauty – bringing together all things beauty, all in one place. Today, Ulta Beauty operates 1,302 retail stores across 50 states and also distributes its products through its website, which includes a collection of tips, tutorials, and social content. For more information, visit [www.ulta.com](http://www.ulta.com).

Ulta Beauty was recently added to the Bloomberg Gender Equality Index, which tracks the financial performance of public companies committed to supporting gender equality through policy development, representation and transparency. More information about Ulta Beauty's corporate responsibility efforts can be found at [www.ulta.com/investor/ESG](http://www.ulta.com/investor/ESG).

## Forward-Looking Statements

*This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, which reflect the company's current views with respect to, among other things, future events and financial performance. These statements can be identified by the use of forward-looking words such as "outlook," "believes," "expects," "plans," "estimates," "targets," "strategies" or other comparable words. Any forward-looking statements contained in this press release are based upon the company's historical performance and on current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by the company or any other person that the future plans, estimates, targets, strategies or expectations contemplated by the company will be achieved. Such forward-looking statements are subject to various risks and uncertainties, which include, without limitation:*

- *The negative impacts the COVID-19 pandemic has had, and will continue to have, on the company's business, financial condition, profitability, cash flows and supply chain, as well as consumer spending (including future uncertain impacts);*
  - *epidemics, pandemics like COVID-19 or natural disasters that have and could continue to negatively impact the company's sales;*
  - *changes in the overall level of consumer spending and volatility in the economy, including as a result of the COVID-19 pandemic and/or government aid programs;*
  - *a decline in operating results that has and may continue to lead to asset impairment and store closures charges;*
  - *the company's ability to sustain its growth plans and successfully implement its long-range strategic and financial plan;*
  - *the company's ability to gauge beauty trends and react to changing consumer preferences in a timely manner;*
  - *the possibility that the company may be unable to compete effectively in its highly competitive markets;*
  - *the company's ability to execute its operational excellence priorities, including continuous improvement, Project SOAR (its replacement enterprise resource planning platform), and supply chain optimization;*
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- *the possibility that cybersecurity breaches and other disruptions could compromise the company's information or result in the unauthorized disclosure of confidential information;*
- *the possibility of material disruptions to the company's information systems;*
- *the possibility that the capacity of the company's distribution and order fulfillment infrastructure and the performance of its distribution centers and fast fulfillment centers may not be adequate to support its recent growth and expected future growth plans;*
- *changes in the wholesale cost of the company's products;*
- *the possibility that new store openings and existing locations may be impacted by developer or co-tenant issues;*
- *the company's ability to attract and retain key executive personnel;*
- *the company's ability to successfully execute its common stock repurchase program or implement future common stock repurchase programs; and*
- *other risk factors detailed in the company's public filings with the Securities and Exchange Commission (the SEC), including risk factors contained in its Annual Report on Form 10-K for the fiscal year ended January 30, 2021, as such may be amended or supplemented in its subsequently filed Quarterly Reports on Form 10-Q.*

*The company's filings with the SEC are available at [www.sec.gov](http://www.sec.gov). Except to the extent required by the federal securities laws, the Company does not undertake to publicly update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.*

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**Ulta Beauty, Inc.**  
**Consolidated Statements of Income**  
(In thousands, except per share data)

|  | 13 Weeks Ended      |        |                     |        |
|--|---------------------|--------|---------------------|--------|
|  | October 30,<br>2021 |        | October 31,<br>2020 |        |
|  | (Unaudited)         |        | (Unaudited)         |        |
| Net sales                                    | \$ 1,995,775        | 100.0% | \$ 1,552,033        | 100.0% |
| Cost of sales                                | 1,206,301           | 60.4%  | 1,006,514           | 64.9%  |
| Gross profit                                 | 789,474             | 39.6%  | 545,519             | 35.1%  |
| Selling, general and administrative expenses | 503,403             | 25.2%  | 416,378             | 26.8%  |
| Impairment, restructuring and other costs    | —                   | 0.0%   | 23,624              | 1.5%   |
| Pre-opening expenses                         | 1,832               | 0.1%   | 4,240               | 0.3%   |
| Operating income                             | 284,239             | 14.2%  | 101,277             | 6.5%   |
| Interest expense, net                        | 413                 | 0.0%   | 1,383               | 0.1%   |
| Income before income taxes                   | 283,826             | 14.2%  | 99,894              | 6.4%   |
| Income tax expense                           | 68,537              | 3.4%   | 25,096              | 1.6%   |
| Net income                                   | \$ 215,289          | 10.8%  | \$ 74,798           | 4.8%   |
| Net income per common share:                 |                     |        |                     |        |
| Basic  | \$ 3.97             |        | \$ 1.33             |        |
| Diluted                                      | \$ 3.94             |        | \$ 1.32             |        |
| Weighted average common shares outstanding:  |                     |        |                     |        |
| Basic  | 54,291              |        | 56,327              |        |
| Diluted                                      | 54,660              |        | 56,546              |        |

**Ulta Beauty, Inc.**  
**Consolidated Statements of Income**  
(In thousands, except per share data)

|  | 39 Weeks Ended      |        |                     |        |
|--|---------------------|--------|---------------------|--------|
|  | October 30,<br>2021 |        | October 31,<br>2020 |        |
|  | (Unaudited)         |        | (Unaudited)         |        |
| Net sales                                    | \$ 5,901,501        | 100.0% | \$ 3,953,252        | 100.0% |
| Cost of sales                                | 3,560,276           | 60.3%  | 2,775,121           | 70.2%  |
| Gross profit                                 | 2,341,225           | 39.7%  | 1,178,131           | 29.8%  |
| Selling, general and administrative expenses | 1,411,577           | 23.9%  | 1,068,877           | 27.1%  |
| Impairment, restructuring and other costs    | —                   | 0.0%   | 83,924              | 2.1%   |
| Pre-opening expenses                         | 7,778               | 0.1%   | 12,782              | 0.3%   |
| Operating income                             | 921,870             | 15.6%  | 12,548              | 0.3%   |
| Interest expense, net                        | 1,196               | 0.0%   | 5,272               | 0.1%   |
| Income before income taxes                   | 920,674             | 15.6%  | 7,276               | 0.2%   |
| Income tax expense                           | 224,203             | 3.8%   | 2,935               | 0.1%   |
| Net income                                   | \$ 696,471          | 11.8%  | \$ 4,341            | 0.1%   |
| Net income per common share:                 |                     |        |                     |        |
| Basic  | \$ 12.68            |        | \$ 0.08             |        |
| Diluted                                      | \$ 12.60            |        | \$ 0.08             |        |
| Weighted average common shares outstanding:  |                     |        |                     |        |
| Basic  | 54,921              |        | 56,355              |        |
| Diluted                                      | 55,280              |        | 56,524              |        |

**Ulta Beauty, Inc.**  
**Condensed Consolidated Balance Sheets**  
**(In thousands)**

|   | October 30,<br>2021<br>(Unaudited) | January 30,<br>2021 | October 31,<br>2020<br>(Unaudited) |
|---|------------------------------------|---------------------|------------------------------------|
| <b>Assets</b>                               |                                    |                     |                                    |
| Current assets:                             |                                    |                     |                                    |
| Cash and cash equivalents                   | \$ 605,053                         | \$ 1,046,051        | \$ 560,902                         |
| Receivables, net                            | 169,212                            | 193,109             | 136,271                            |
| Merchandise inventories, net                | 1,916,343                          | 1,168,215           | 1,439,098                          |
| Prepaid expenses and other current assets   | 105,584                            | 107,402             | 99,810                             |
| Prepaid income taxes                        | 37,501                             | —                   | 8,928                              |
| Total current assets                        | <u>2,833,693</u>                   | <u>2,514,777</u>    | <u>2,245,009</u>                   |
| Property and equipment, net                 | 908,665                            | 995,795             | 1,042,262                          |
| Operating lease assets                      | 1,464,533                          | 1,504,614           | 1,510,030                          |
| Goodwill                                    | 10,870                             | 10,870              | 10,870                             |
| Other intangible assets, net                | 1,770                              | 2,465               | 2,696                              |
| Deferred compensation plan assets           | 36,403                             | 33,223              | 30,141                             |
| Other long-term assets                      | 31,833                             | 28,225              | 29,986                             |
| Total assets                                | <u>\$ 5,287,767</u>                | <u>\$ 5,089,969</u> | <u>\$ 4,870,994</u>                |
| <b>Liabilities and stockholders' equity</b> |                                    |                     |                                    |
| Current liabilities:                        |                                    |                     |                                    |
| Accounts payable                            | \$ 747,451                         | \$ 477,052          | \$ 478,501                         |
| Accrued liabilities                         | 329,672                            | 296,334             | 268,310                            |
| Deferred revenue                            | 272,628                            | 274,383             | 224,862                            |
| Current operating lease liabilities         | 274,365                            | 253,415             | 252,171                            |
| Accrued income taxes                        | —                                  | 42,529              | 6,499                              |
| Total current liabilities                   | <u>1,624,116</u>                   | <u>1,343,713</u>    | <u>1,230,343</u>                   |
| Non-current operating lease liabilities     | 1,565,921                          | 1,643,386           | 1,661,750                          |
| Deferred income taxes                       | 67,267                             | 65,359              | 89,112                             |
| Other long-term liabilities                 | 43,663                             | 37,962              | 35,352                             |
| Total liabilities                           | <u>3,300,967</u>                   | <u>3,090,420</u>    | <u>3,016,557</u>                   |
| Commitments and contingencies               |                                    |                     |                                    |
| Total stockholders' equity                  | 1,986,800                          | 1,999,549           | 1,854,437                          |
| Total liabilities and stockholders' equity  | <u>\$ 5,287,767</u>                | <u>\$ 5,089,969</u> | <u>\$ 4,870,994</u>                |

**Ulta Beauty, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(In thousands)

|   | 39 Weeks Ended      |                     |
|---|---------------------|---------------------|
|   | October 30,<br>2021 | October 31,<br>2020 |
|   | (Unaudited)         | (Unaudited)         |
| <b>Operating activities</b>   |                     |                     |
| Net income  | \$ 696,471          | \$ 4,341            |
| Adjustments to reconcile net income to net cash provided by operating activities: |                     |                     |
| Depreciation and amortization   | 204,734             | 226,386             |
| Non-cash lease expense  | 206,017             | 196,354             |
| Long-lived asset impairment charge  | —                   | 69,932              |
| Deferred income taxes   | 1,908               | (255)               |
| Stock-based compensation expense  | 38,217              | 22,979              |
| Loss on disposal of property and equipment  | 3,357               | 5,219               |
| Change in operating assets and liabilities:                                       |                     |                     |
| Receivables   | 23,897              | 3,066               |
| Merchandise inventories   | (748,128)           | (145,397)           |
| Prepaid expenses and other current assets   | 1,818               | 3,007               |
| Income taxes  | (80,027)            | 13,958              |
| Accounts payable  | 266,104             | 62,337              |
| Accrued liabilities   | 24,482              | 24,582              |
| Deferred revenue  | (1,755)             | (12,673)            |
| Operating lease liabilities   | (222,451)           | (212,665)           |
| Other assets and liabilities  | 213                 | (2,126)             |
| Net cash provided by operating activities   | 414,857             | 259,045             |
| <b>Investing activities</b>   |                     |                     |
| Short-term investments, net   | —                   | 110,000             |
| Capital expenditures  | (108,418)           | (116,745)           |
| Acquisitions, net of cash acquired  | —                   | (1,220)             |
| Purchases of equity investments   | —                   | (5,665)             |
| Net cash used in investing activities   | (108,418)           | (13,630)            |
| <b>Financing activities</b>   |                     |                     |
| Proceeds from long-term debt  | —                   | 800,000             |
| Payments on long-term debt  | —                   | (800,000)           |
| Repurchase of common shares   | (762,167)           | (72,981)            |
| Stock options exercised   | 30,297              | 1,346               |
| Purchase of treasury shares   | (15,511)            | (3,256)             |
| Debt issuance costs   | —                   | (1,861)             |
| Net cash used in financing activities   | (747,381)           | (76,752)            |
| Effect of exchange rate changes on cash and cash equivalents                      | (56)                | (86)                |
| Net increase (decrease) in cash and cash equivalents                              | (440,998)           | 168,577             |
| Cash and cash equivalents at beginning of period                                  | 1,046,051           | 392,325             |
| Cash and cash equivalents at end of period  | \$ 605,053          | \$ 560,902          |

**Ulta Beauty, Inc.**  
**Store Update**

| <b>Fiscal 2021</b>      | <b>Total stores open at beginning of the quarter</b> | <b>Number of stores opened during the quarter</b> | <b>Number of stores closed during the quarter</b> | <b>Total stores open at end of the quarter</b> |
|-------------------------|--|---|---|--|
| 1 <sup>st</sup> Quarter | 1,264  | 28  | 2   | 1,290  |
| 2 <sup>nd</sup> Quarter | 1,290  | 7   | 1   | 1,296  |
| 3 <sup>rd</sup> Quarter | 1,296  | 7   | 1   | 1,302  |

| <b>Fiscal 2021</b>      | <b>Total gross square feet at beginning of the quarter</b> | <b>Gross square feet for stores opened or expanded during the quarter</b> | <b>Gross square feet for stores closed during the quarter</b> | <b>Total gross square feet at end of the quarter</b> |
|-------------------------|--|---|---|--|
| 1 <sup>st</sup> Quarter | 13,291,838   | 327,476   | 22,906  | 13,596,408   |
| 2 <sup>nd</sup> Quarter | 13,596,408   | 62,511  | 10,760  | 13,648,159   |
| 3 <sup>rd</sup> Quarter | 13,648,159   | 67,018  | 10,974  | 13,704,203   |

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**Ulta Beauty, Inc.**  
**Sales by Category**

The following tables set forth the approximate percentage of net sales by primary category:

|   | 13 weeks ended      |                     |
|---|---------------------|---------------------|
|   | October 30,<br>2021 | October 31,<br>2020 |
| Cosmetics (1)                           | 45%                 | 47%                 |
| Haircare products and styling tools (1) | 21%                 | 20%                 |
| Skincare (1)                            | 16%                 | 16%                 |
| Fragrance and bath                      | 12%                 | 10%                 |
| Services                                | 3%                  | 4%                  |
| Accessories and other (1)               | 3%                  | 3%                  |
|   | <u>100%</u>         | <u>100%</u>         |

|   | 39 weeks ended      |                     |
|---|---------------------|---------------------|
|   | October 30,<br>2021 | October 31,<br>2020 |
| Cosmetics (1)                           | 44%                 | 47%                 |
| Haircare products and styling tools (1) | 20%                 | 20%                 |
| Skincare (1)                            | 17%                 | 17%                 |
| Fragrance and bath                      | 12%                 | 9%                  |
| Services                                | 4%                  | 4%                  |
| Accessories and other (1)               | 3%                  | 3%                  |
|   | <u>100%</u>         | <u>100%</u>         |

(1) Certain sales departments were reclassified between categories in the prior year to conform to current year presentation.

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**Ulta Beauty, Inc.**  
**Reconciliation of GAAP basis to Adjusted operating income, Adjusted net income and Adjusted diluted earnings per share**  
**(In thousands, except per share data)**  
**(Unaudited)**

|   | 13 weeks ended<br>October 31,<br>2020 | 39 weeks ended<br>October 31,<br>2020 |
|---|---------------------------------------|---------------------------------------|
| Operating income  | \$ 101,277                            | \$ 12,548                             |
| Add: Store asset impairment   | —                                     | 40,428                                |
| Add: Store closures   | 2,030                                 | 21,902                                |
| Add: Store closures - inventory write-off                                     | —                                     | 1,400                                 |
| Add: Suspension of Canadian expansion   | 15,886                                | 15,886                                |
| Add: Severance costs  | 5,708                                 | 5,708                                 |
| Adjusted operating income   | \$ 124,901                            | \$ 97,872                             |
| Net income  | \$ 74,798                             | \$ 4,341                              |
| Add: Store asset impairment   | —                                     | 40,428                                |
| Less: Income tax benefit of store asset impairment <sup>1</sup>               | —                                     | (9,905)                               |
| Add: Store closures   | 2,030                                 | 21,902                                |
| Less: Income tax benefit of store closures <sup>1</sup>                       | (510)                                 | (5,366)                               |
| Add: Store closures - inventory write-off                                     | —                                     | 1,400                                 |
| Less: Income tax benefit of store closures - inventory write-off <sup>1</sup> | —                                     | (343)                                 |
| Add: Suspension of Canadian expansion   | 15,886                                | 15,886                                |
| Less: Income tax benefit of suspension of Canadian expansion <sup>1</sup>     | (3,987)                               | (3,892)                               |
| Add: Severance costs  | 5,708                                 | 5,708                                 |
| Less: Income tax benefit of severance costs <sup>1</sup>                      | (1,433)                               | (1,398)                               |
| Adjusted net income   | \$ 92,492                             | \$ 68,761                             |
| Diluted earnings per share  | \$ 1.32                               | \$ 0.08                               |
| Add: Store asset impairment   | —                                     | 0.72                                  |
| Less: Income tax benefit of store asset impairment <sup>1</sup>               | —                                     | (0.18)                                |
| Add: Store closures   | 0.04                                  | 0.39                                  |
| Less: Income tax benefit of store closures <sup>1</sup>                       | (0.01)                                | (0.09)                                |
| Add: Store closures - inventory write-off                                     | —                                     | 0.02                                  |
| Less: Income tax benefit of store closures - inventory write-off <sup>1</sup> | —                                     | (0.01)                                |
| Add: Suspension of Canadian expansion   | 0.28                                  | 0.28                                  |
| Less: Income tax benefit of suspension of Canadian expansion <sup>1</sup>     | (0.07)                                | (0.07)                                |
| Add: Severance costs  | 0.10                                  | 0.10                                  |
| Less: Income tax benefit of severance costs <sup>1</sup>                      | (0.02)                                | (0.02)                                |
| Adjusted diluted earnings per share   | \$ 1.64                               | \$ 1.22                               |

<sup>1</sup> The income tax benefit for non-GAAP adjustments was calculated using the Company's blended tax rate before discrete items.