



Insights exchange for the model-driven economy

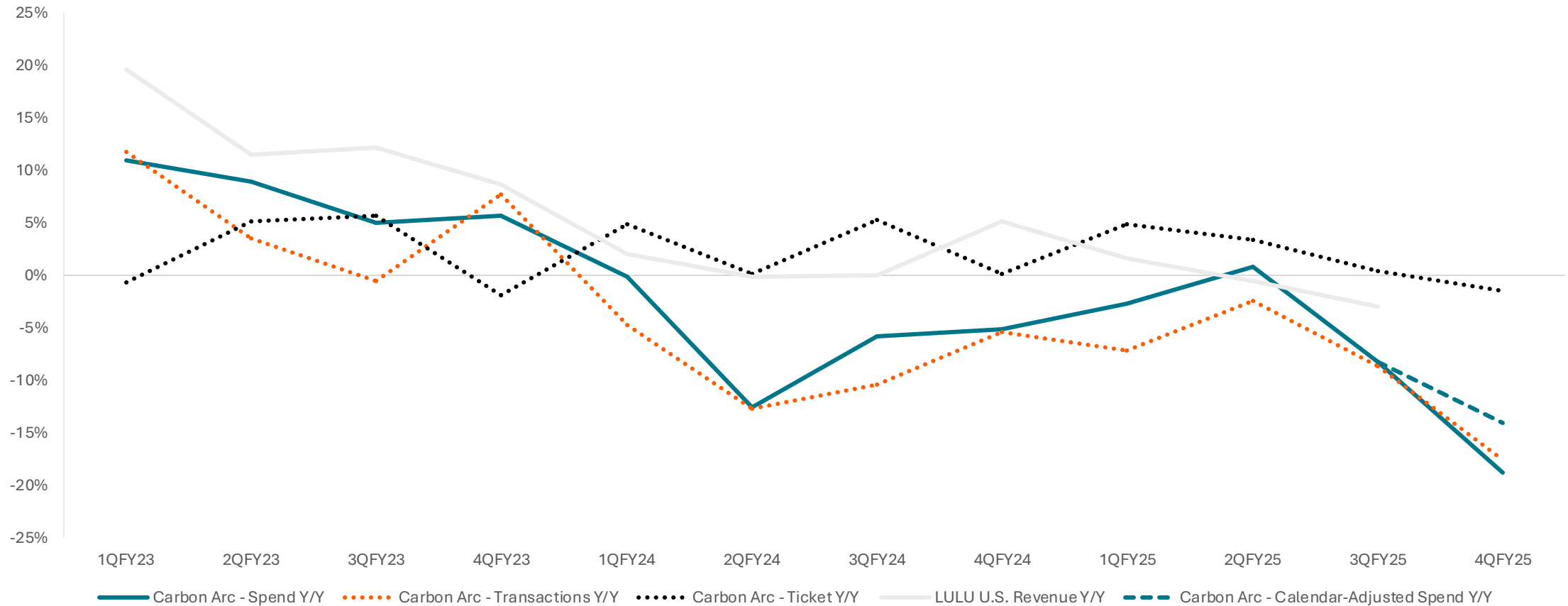
Lululemon (LULU) Showing Continued Weakness Post-Print; Alo Making Significant Gains

1. **LULU credit card spend growth weakened significantly from 3QFY25** – driven by both transactions and ticket.
2. **December spend momentum is negative for Lululemon, Alo Yoga, and Vuori**, with Skims improving momentum in December after promotional calendar changes and a more-successful *North Face x Skims* drop.
3. **Alo continues to grow > 40% Y/Y**, with Vuori the only other competitor showing positive U.S. Y/Y growth in recent quarters.
4. **Digital engagement growth is strongest for Alo across platforms** but LULU is outperforming key competitors in web usage.
5. **Alo gained 5 pp of spend share Y/Y during its fall sales**, cementing itself as the leading competitor to LULU – but share is ~5 pp lower during months without sales.
6. **LULU significantly increased Meta spend Y/Y in October - November**, maintaining growth on Facebook but sharply reducing YouTube ad spending. Skims weakened ad spend in November amidst negative engagement momentum.
7. **Alo Yoga gained market share against Skims in TikTok shop until trends reversed dramatically in December**, driven by spend growth M/M for Skims and M/M declines for Alo. Despite higher advertising spend levels, Lululemon and Vuori lack meaningful presence on TikTok shop.

LULU Card Spend Growth Continues Decline in 4Q as Ticket Goes Negative

Carbon Arc's Credit Card – US Complete data asset suggests LULU QTD U.S. Revenue fell -15% Y/Y (-10% Y/Y excluding 4Q24's extra week) with a 5.8 pp margin of error, a -7 pp growth deceleration from 3Q. This is slightly weaker than management's guidance of -3 to -5 pp global growth deceleration when excluding 4Q24's extra week.

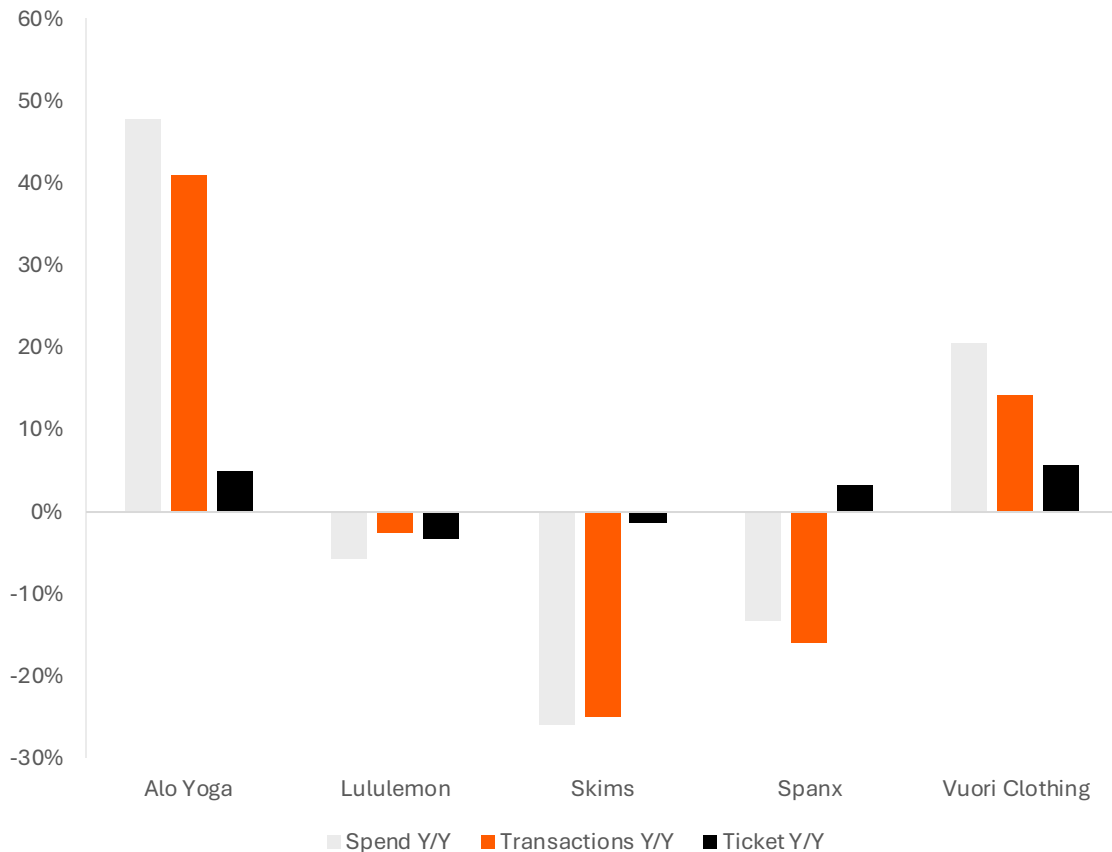
LULU U.S. Revenue vs. Carbon Arc Credit Card – U.S. Complete Panel



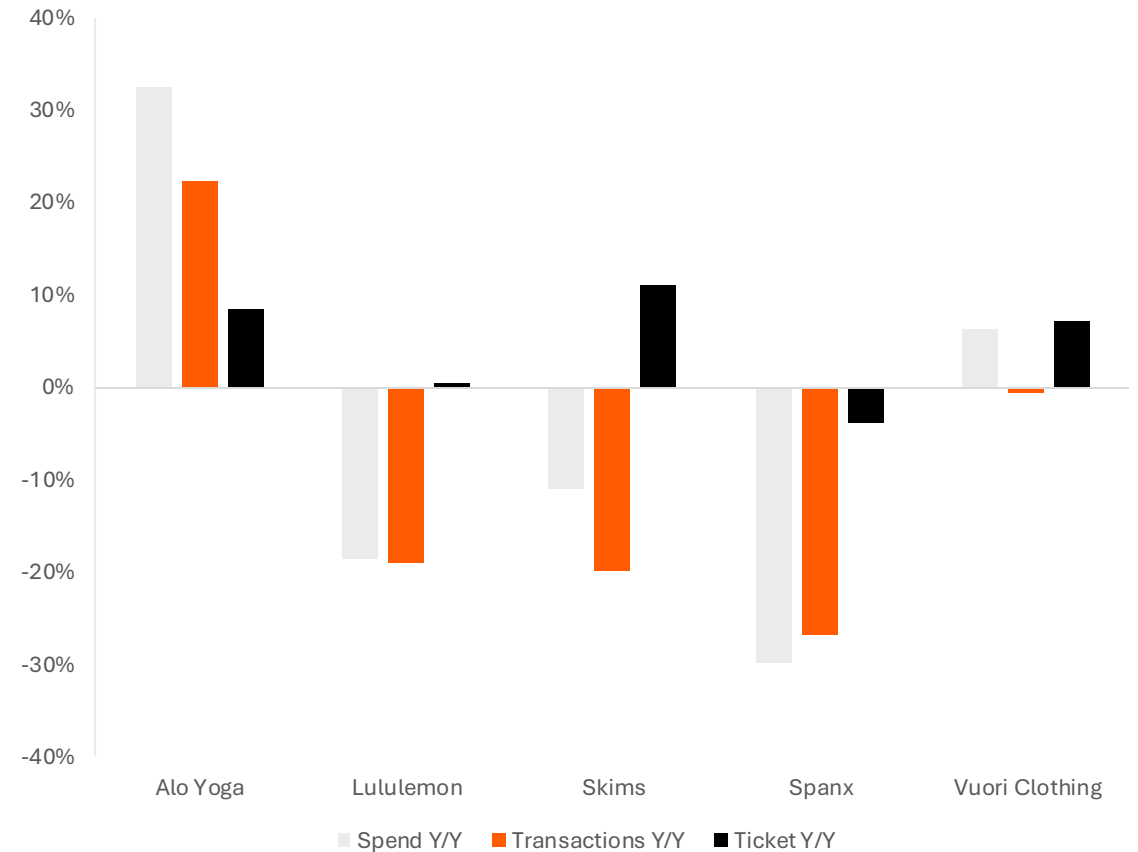
Ticket Improves in December, but Transactions Drive Weakness

Transactions for Lululemon are down significantly MTD in December vs. ~flat in November, though ticket growth is ~flat to slightly positive Y/Y. In December, ticket is also driving Y/Y growth for Vuori and lessening the impact of transaction declines for Skims, which saw a greater proportion of its Black Friday sales this year in November.

November 2025 Credit Card Spend Growth and Drivers



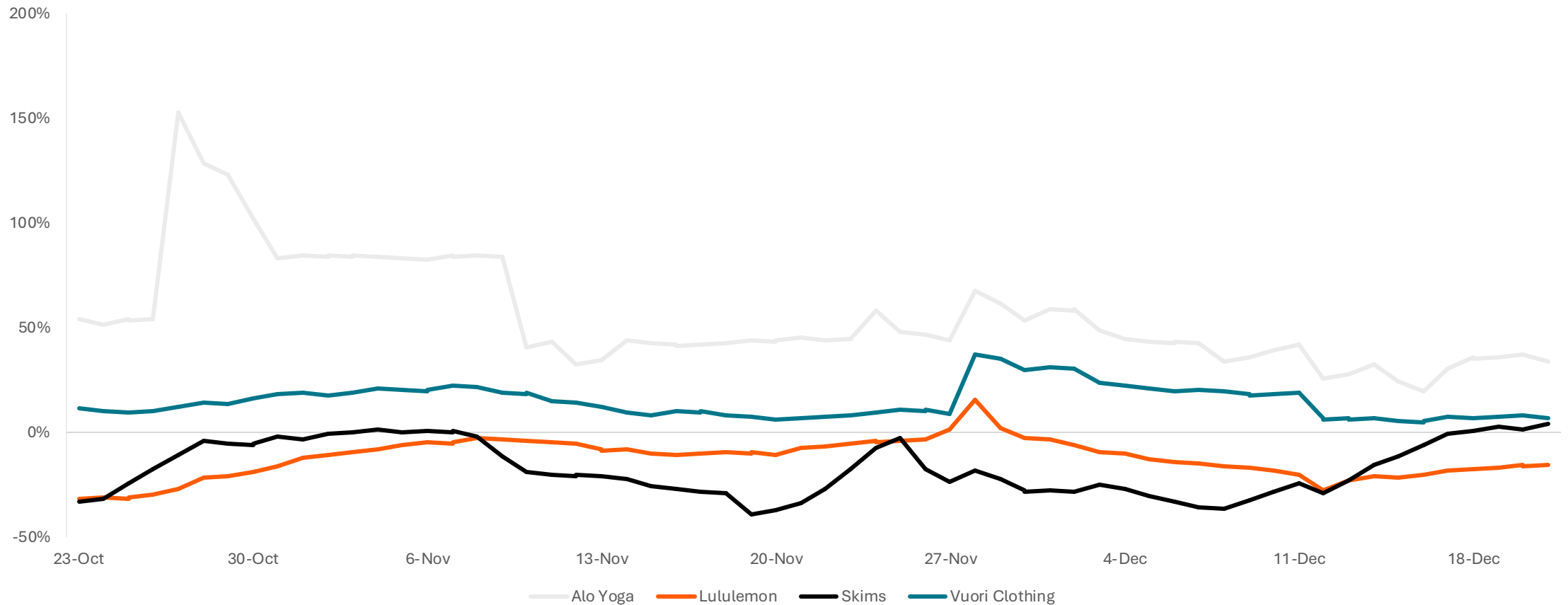
December 2025 Credit Card Spend Growth and Drivers



Momentum Weak post-Black Friday, but Improving for Skims

Spend momentum peaked for Lululemon and Vuori on Black Friday and tailed off through the middle of December. Alo showed similar weakness in December and is down significantly from its peak during an “Alo All Access” early Black Friday sale. Skims is trending opposite the other brands in December and showing strong momentum to Y/Y growth in the leadup to Christmas.

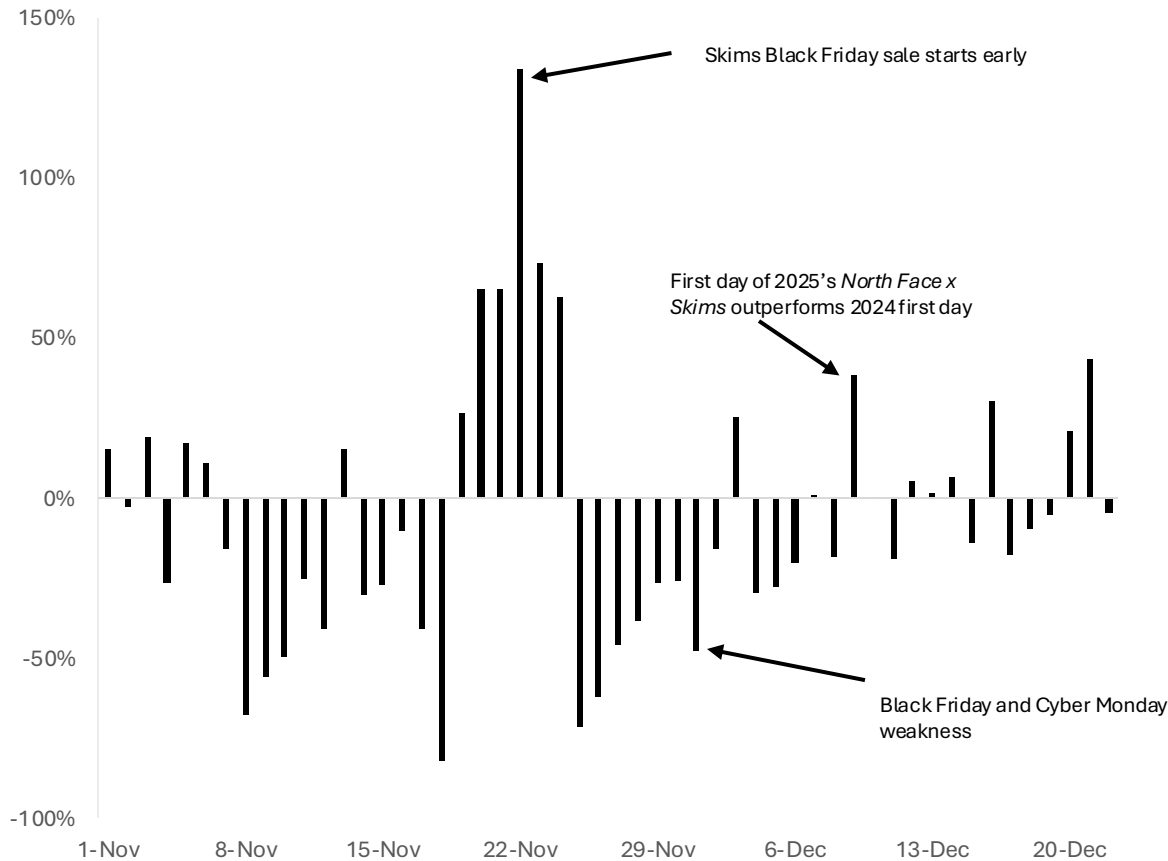
Trailing 14-Day Card Spend Y/Y Growth



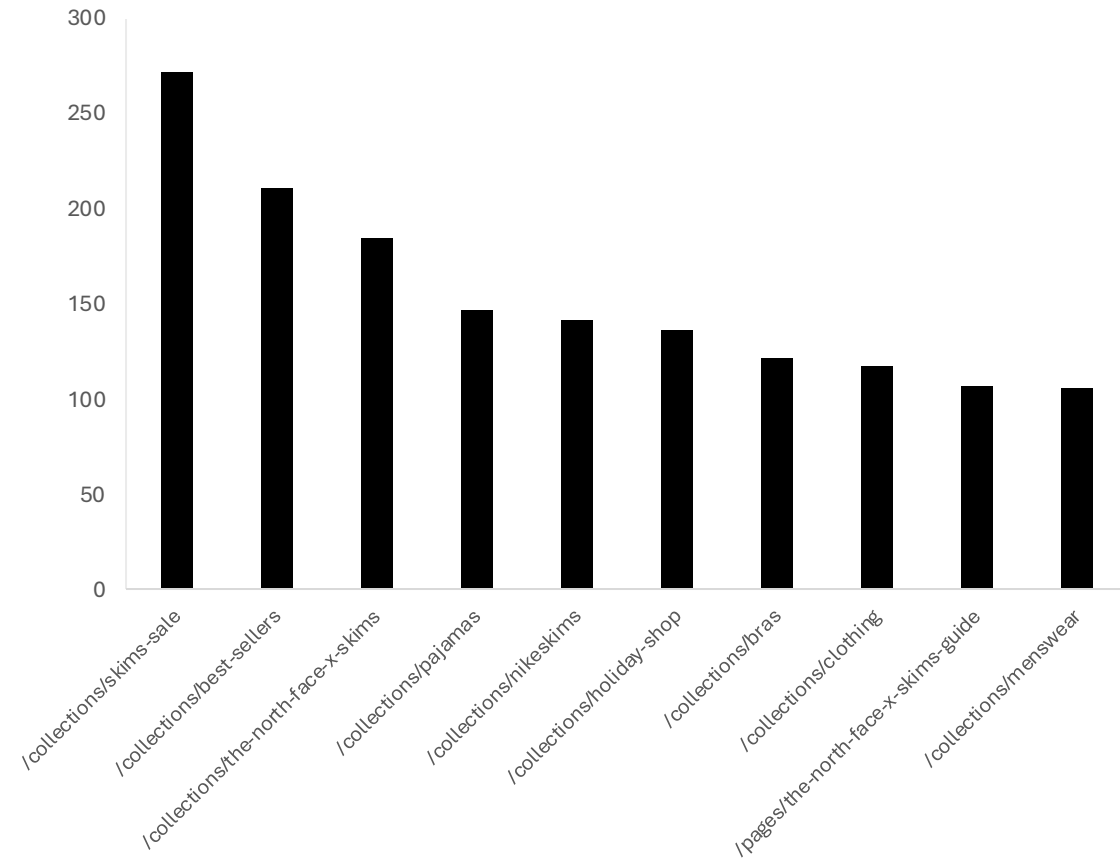
Earlier Black Friday Sale Creates Later Skims Weakness, North Face Boosts Growth

Skims' momentum in December comes off a seasonal shift in sales between 2024 and 2025, with an earlier start to its Black Friday sale in 2025 shifting spend ahead of Thanksgiving. The *North Face x Skims* collection also drove December growth, as Skims performed 39% better Y/Y on the collection's first day and it drew more web traffic than the holiday shop or NikeSkims.

Skims 364-Day Spend Y/Y Growth



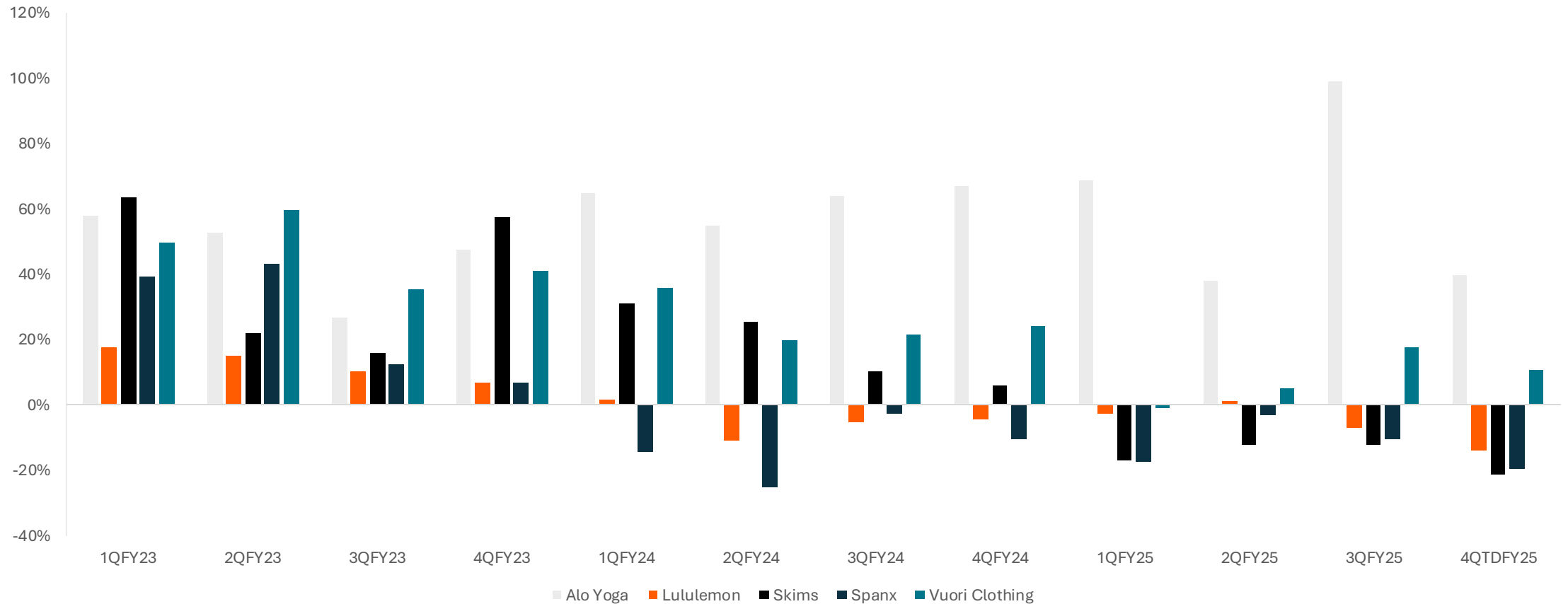
Skims.com Top Product Subdomains, December 2025



Alo and Vuori are the Growing Brands in Athleisure and Shapewear

In 2025, LULU has grown in-line with its athleisure and shapewear ecosystem, outgrowing the shapewear brands Skims and Spanx but trailing athleisure competitors Alo Yoga and Vuori. Alo's spend has grown > 20% Y/Y for the last 12 quarters and Vuori is the only other brand with positive spend growth in 2H25.

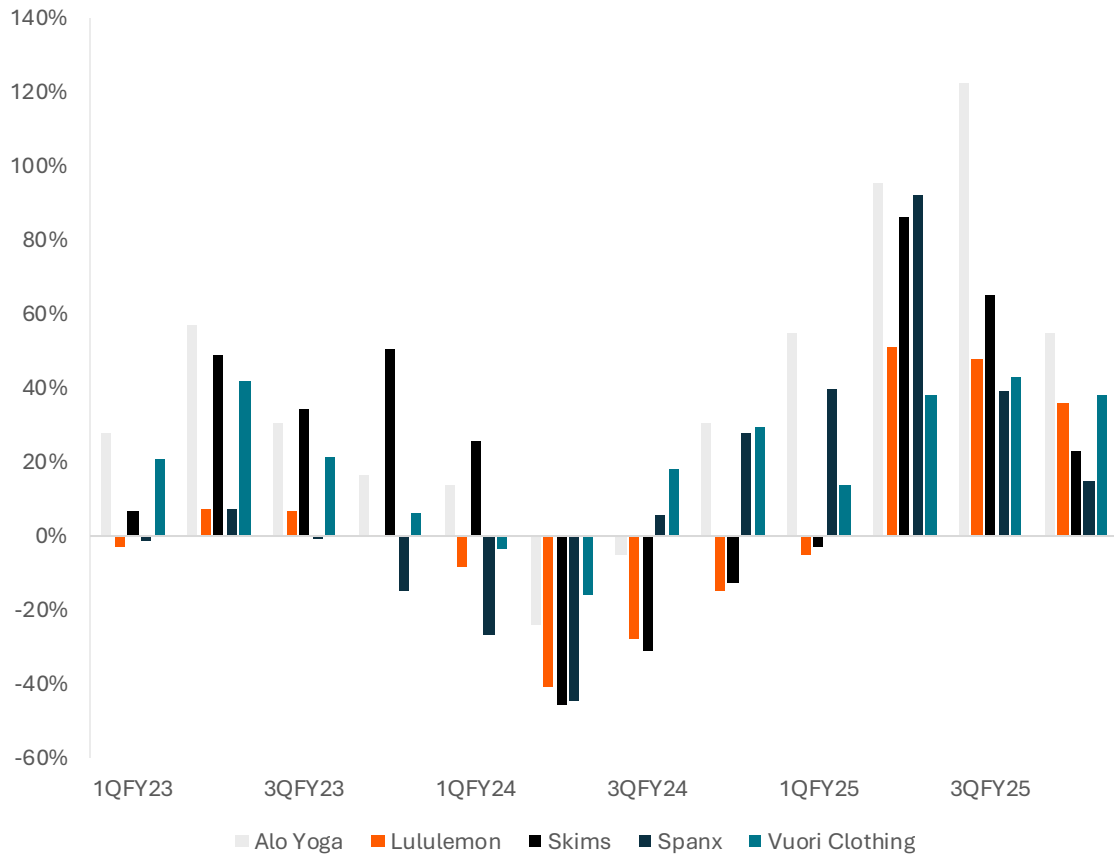
Brand Credit Card Spend Growth, LULU Fiscal Quarters



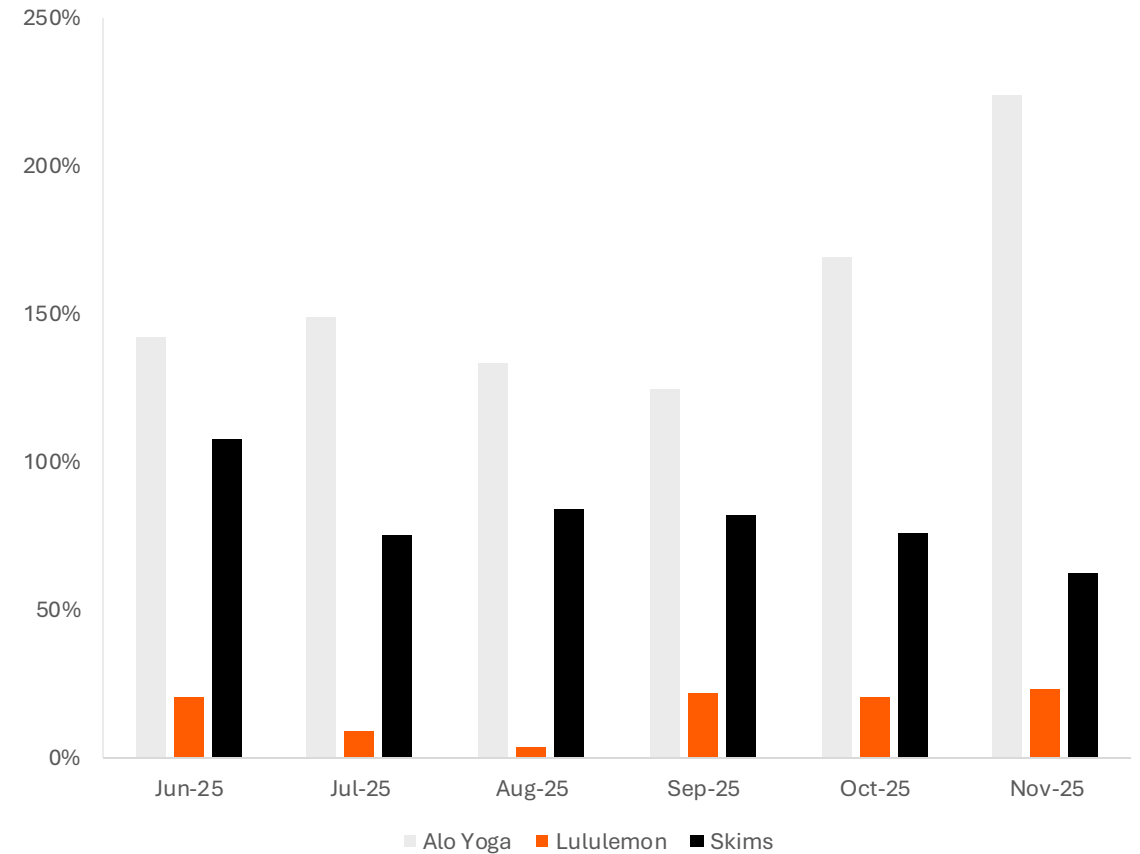
Digital Engagement is Strong Across Brands but Growing Quickest for Alo

Alo's lead in spend growth is matched by strong performance in web and app engagement, growing U.S. app sessions > 200% Y/Y with positive momentum heading into December. Lululemon's app growth is weaker than Skims, but web traffic growth is matching or exceeding most of its competitors QTD.

Normalized Average Web DAUs, Y/Y Growth



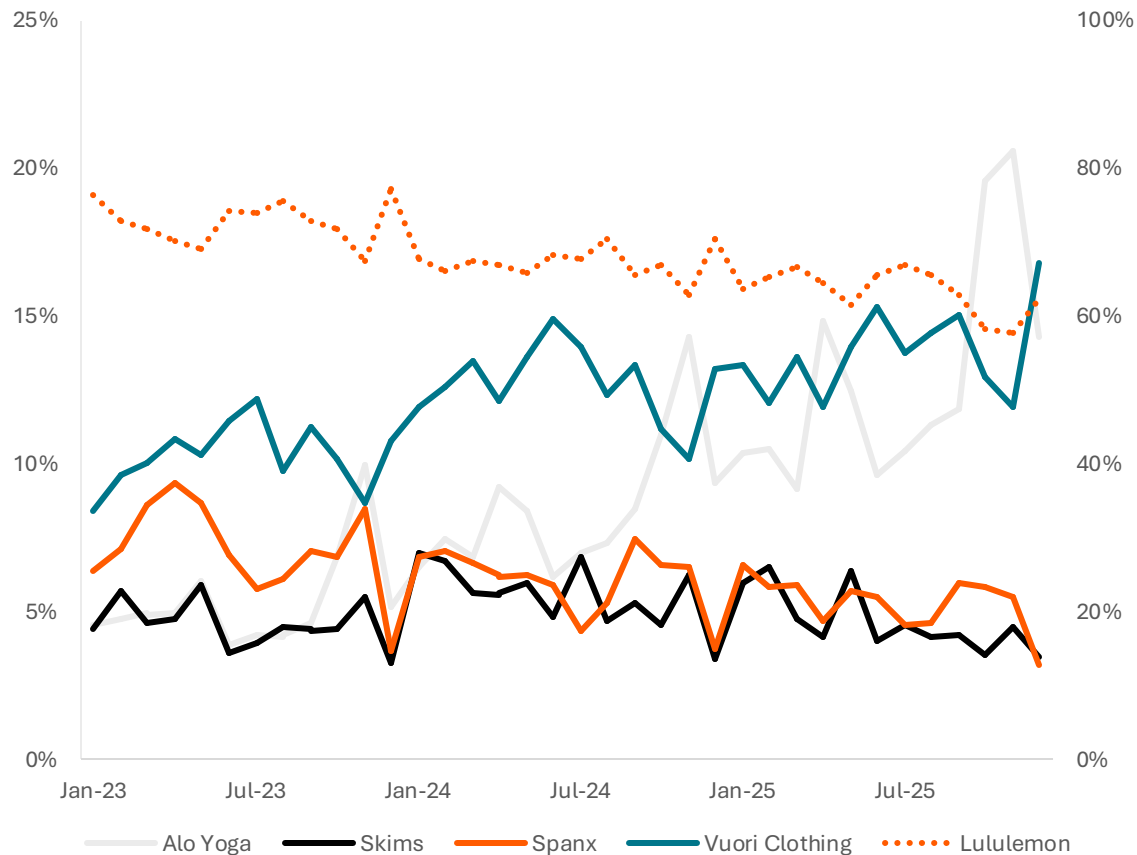
Monthly App Sessions Y/Y Growth



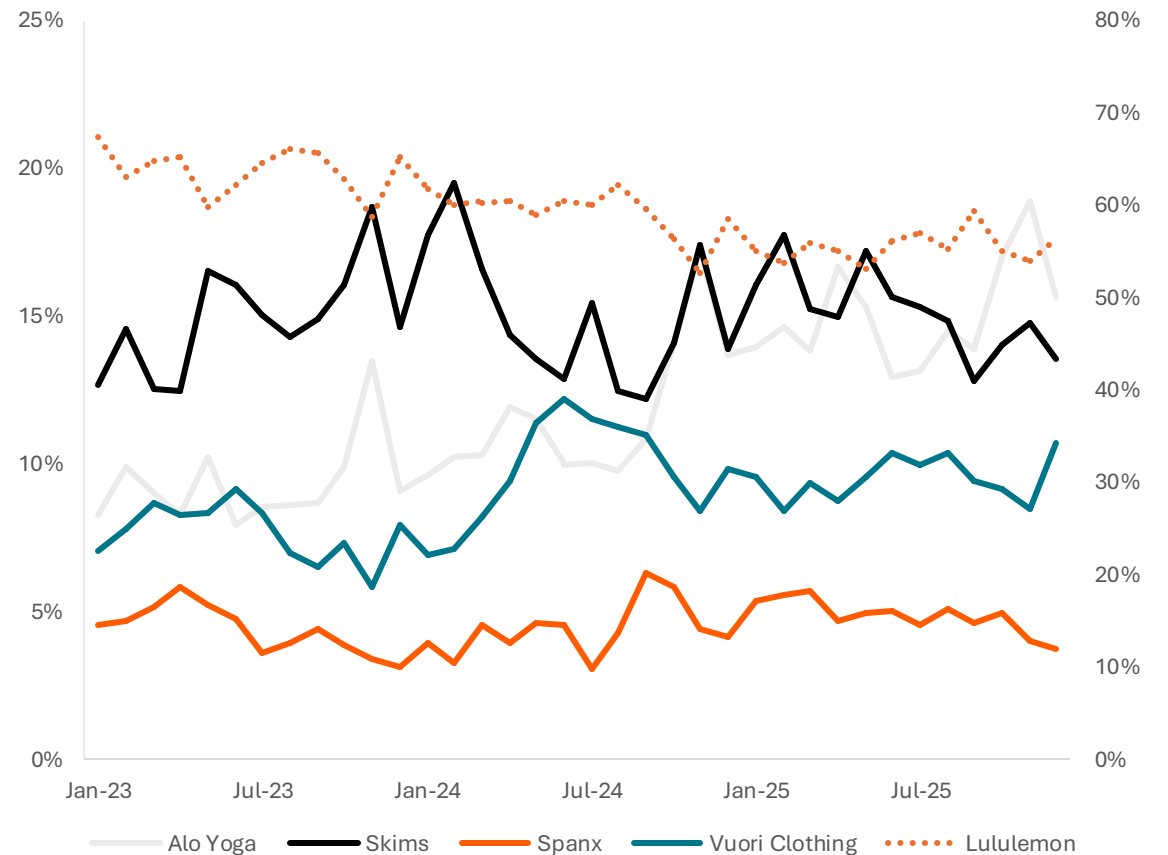
Lululemon Dominates Market Share, as Alo Makes Modest Gains

Lululemon still controls 60% of the DTC market against these competitors, and close to 60% of digital engagement. Alo has grown share from 15% last fall to 20% in 2025, but loses ground when not offering sales. Despite much stronger digital engagement, Skims has failed to surpass Spanx's market share after closing the gap with growth in early 2024.

LULU Card Market Share (r) vs. Competitors (l)



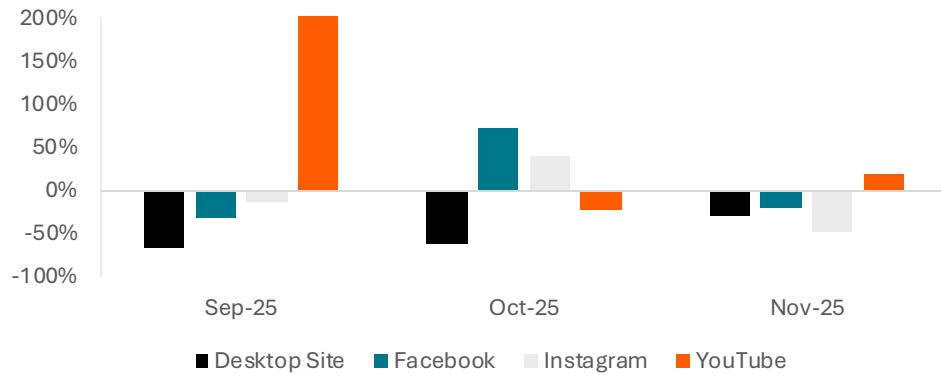
LULU Web Users Market Share (r) vs. Competitors (l)



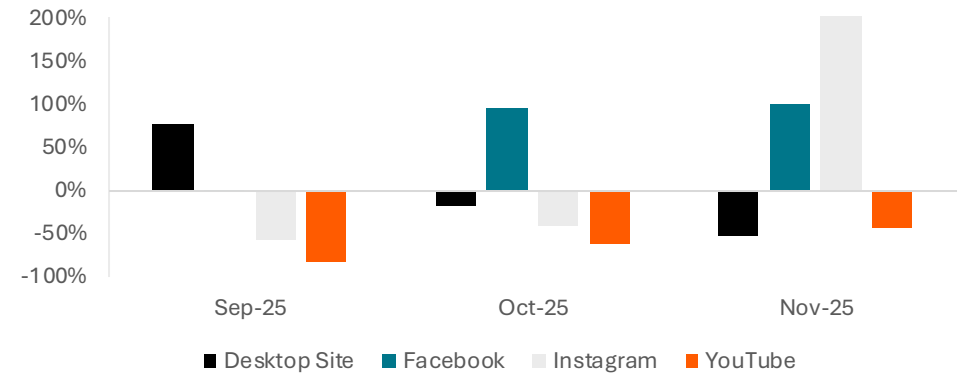
Skims Lags in Digital Ad Spend Growth as Brands Invest in Meta

Lululemon and Alo both significantly increased digital ad spend on Meta in the fall, with Alo shifting spend more towards embedded website placements in November. Vuori has almost eliminated desktop site spend in favor of video platforms. Skims cut ad spend Y/Y across most platforms in November, in-line with negative momentum in engagement.

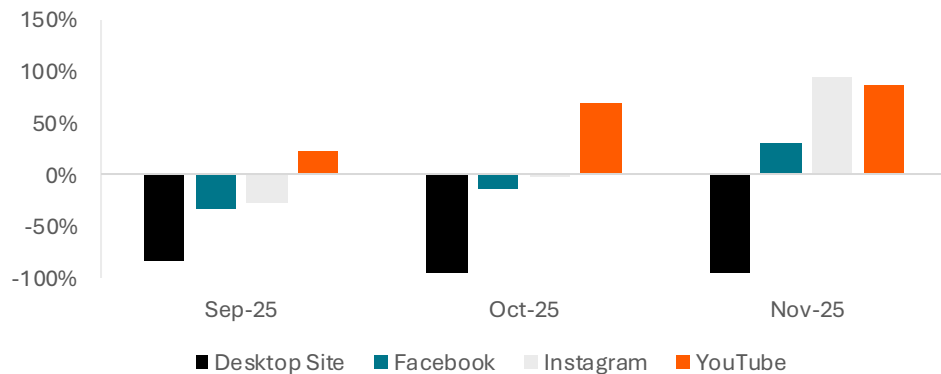
Skims Digital Ad Spend Growth by Platform



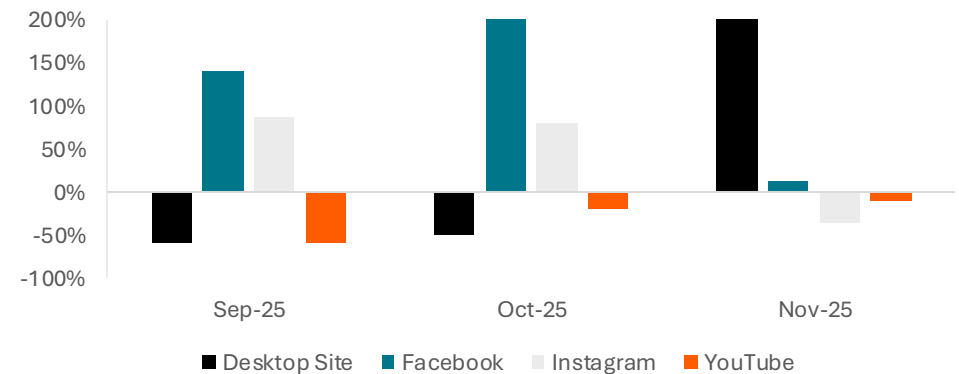
Lululemon Digital Ad Spend Growth by Platform



Vuori Digital Ad Spend Growth by Platform



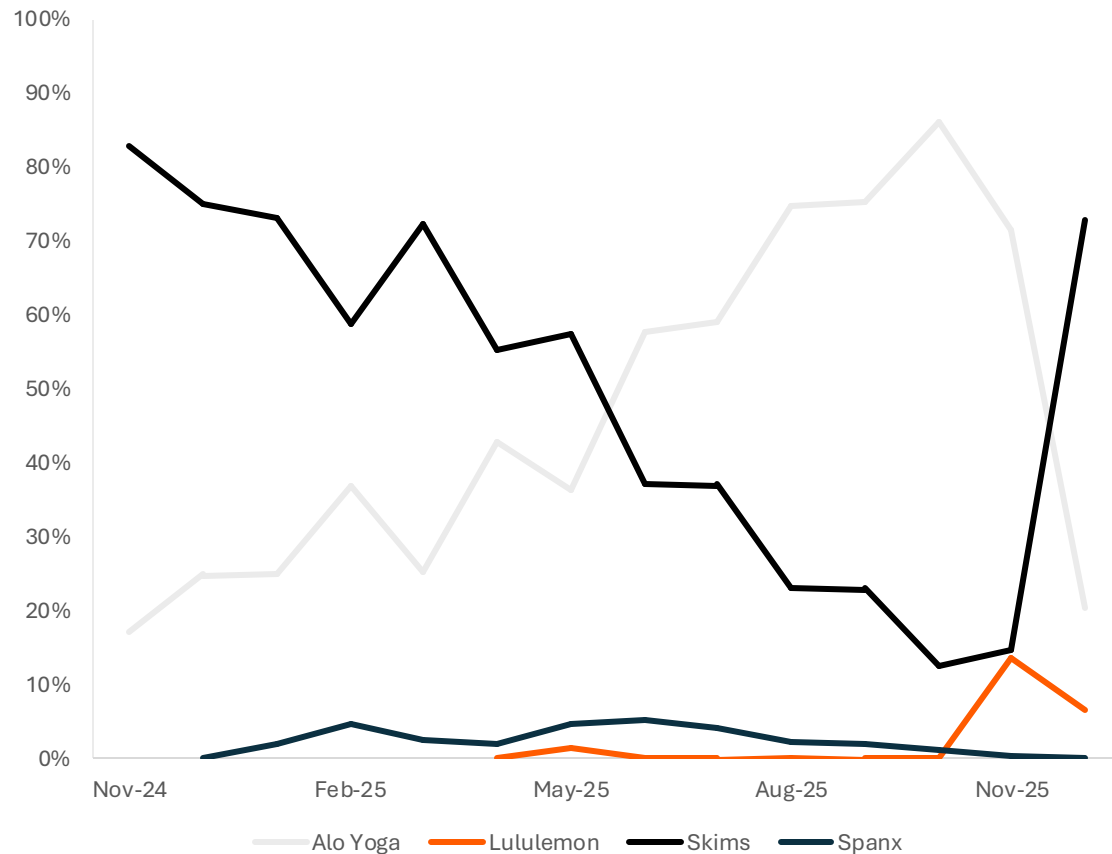
Alo Digital Ad Spend Growth by Platform



Alo Dominated TikTok Shop in Summer-Fall, but Skims is Coming Back

Skims was the market leader in TikTok shop during the 2024 holiday season but consistently lost share to Alo throughout 2025. After a peak in Sep-Nov., Alo's estimated revenue market share fell significantly in December, driven by both Skims revenue gains and Alo losses. Despite investing heavily in TikTok ads, Lululemon and Vuori do not have a meaningful Shop presence.

TikTok Shop Estimated Revenue Market Share



TikTok Ad Spend Market Share

