

Analyst Day 2021



the
possibilities
are beautiful.®

CREATING THE FUTURE OF BEAUTY & RETAIL

Analyst Day 2021



Kiley Rawlins

vice president of investor relations

pronouns: she/her/hers

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This presentation 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 presentation 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 ERP platform, and supply chain optimization; 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 its distribution and order fulfillment infrastructure and the performance of distribution centers and fast fulfillment centers may not be adequate to support its 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 most recent Annual Report on Form 10-K, 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. The company undertakes no obligation to update any forward-looking statements after the date of this presentation, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws and regulations.



Agenda

| Time (CST) | Content | Speaker |
|------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8:30 AM | Welcome | Kiley Rawlins vice president of investor relations |
| 8:35 – 10:20 AM | Management Presentations | Dave Kimbell chief executive officer Shelley Haus chief marketing officer Monica Arnaudo chief merchandising officer Kecia Steelman chief operating officer Prama Bhatt chief digital officer |
| 10:20 AM | Break | |
| 10:30 – 11:30 AM | Management Presentations | Shelley Haus chief marketing officer Kecia Steelman chief operating officer Scott Settersten chief financial officer Dave Kimbell chief executive officer |
| 11:30 AM | Q&A | |





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Dave Kimbell

chief executive officer

pronouns: he/him/his





Welcome Welcome Welcome Welcome

we will continue to

- **LEAD** the beauty category
- **WIN** as an omnichannel leader across physical and digital
- **EXPAND** our market share and increase customer loyalty
- use our **INFLUENCE** and **LEADERSHIP** to make the world a better place
- position Ulta Beauty for **SUSTAINABLE, PROFITABLE GROWTH**



30+ YEAR HISTORY OF DISRUPTION, CREATIVITY, AND SUCCESS

1990s

building

the foundation

- Getting started
- Establishing the business model
- Gaining momentum

2000s

driving

expansion

- Establishing "the Ulta Beauty experience"
- Accelerating store growth
- Breaking into prestige
- Launching eCommerce

2010s

industry

arrival

- Putting the customer first
- Expanding the assortment
- Building omnichannel capabilities
- Driving rapid growth
- Establishing leadership in beauty
- Elevating the role of culture

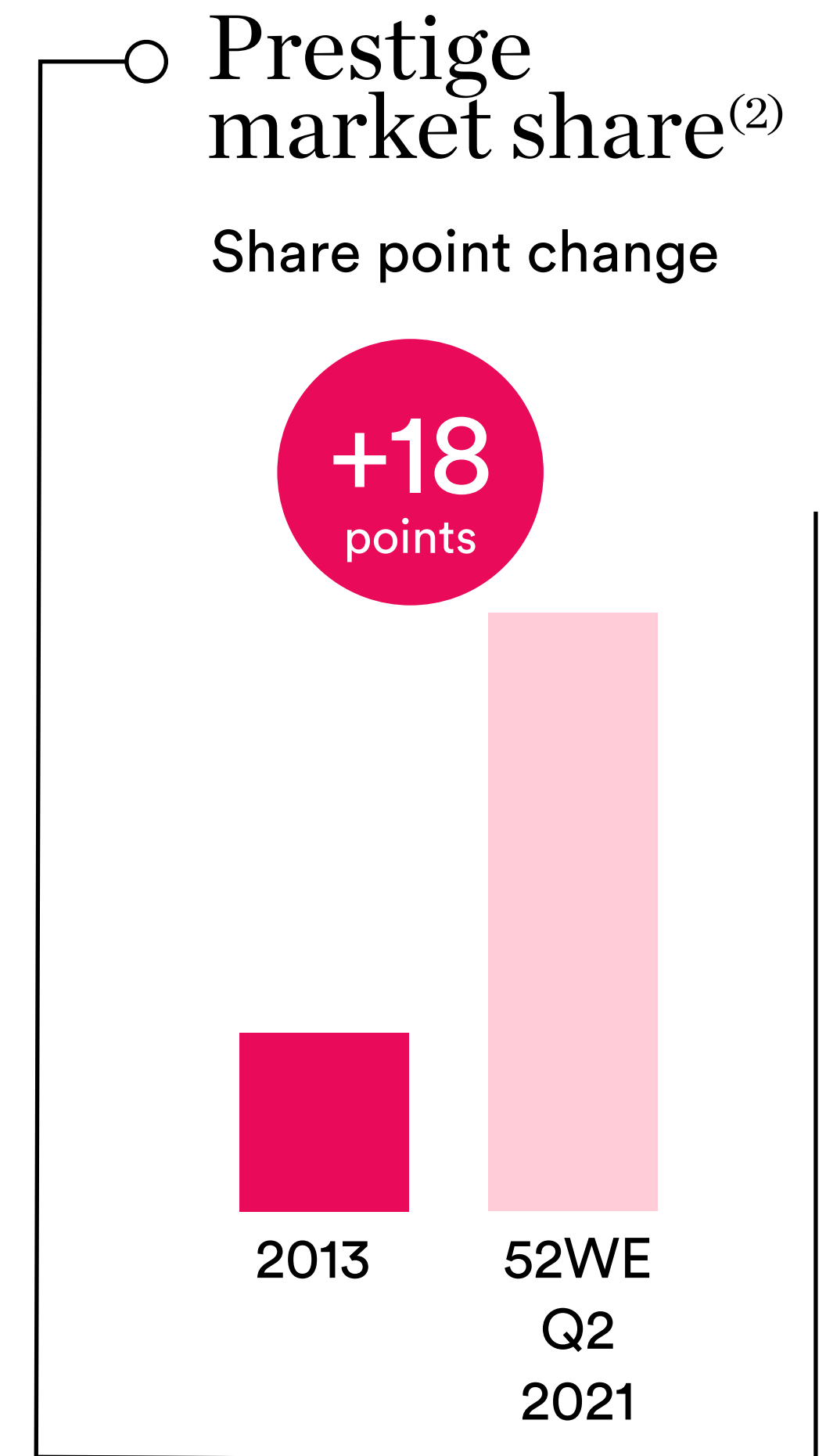
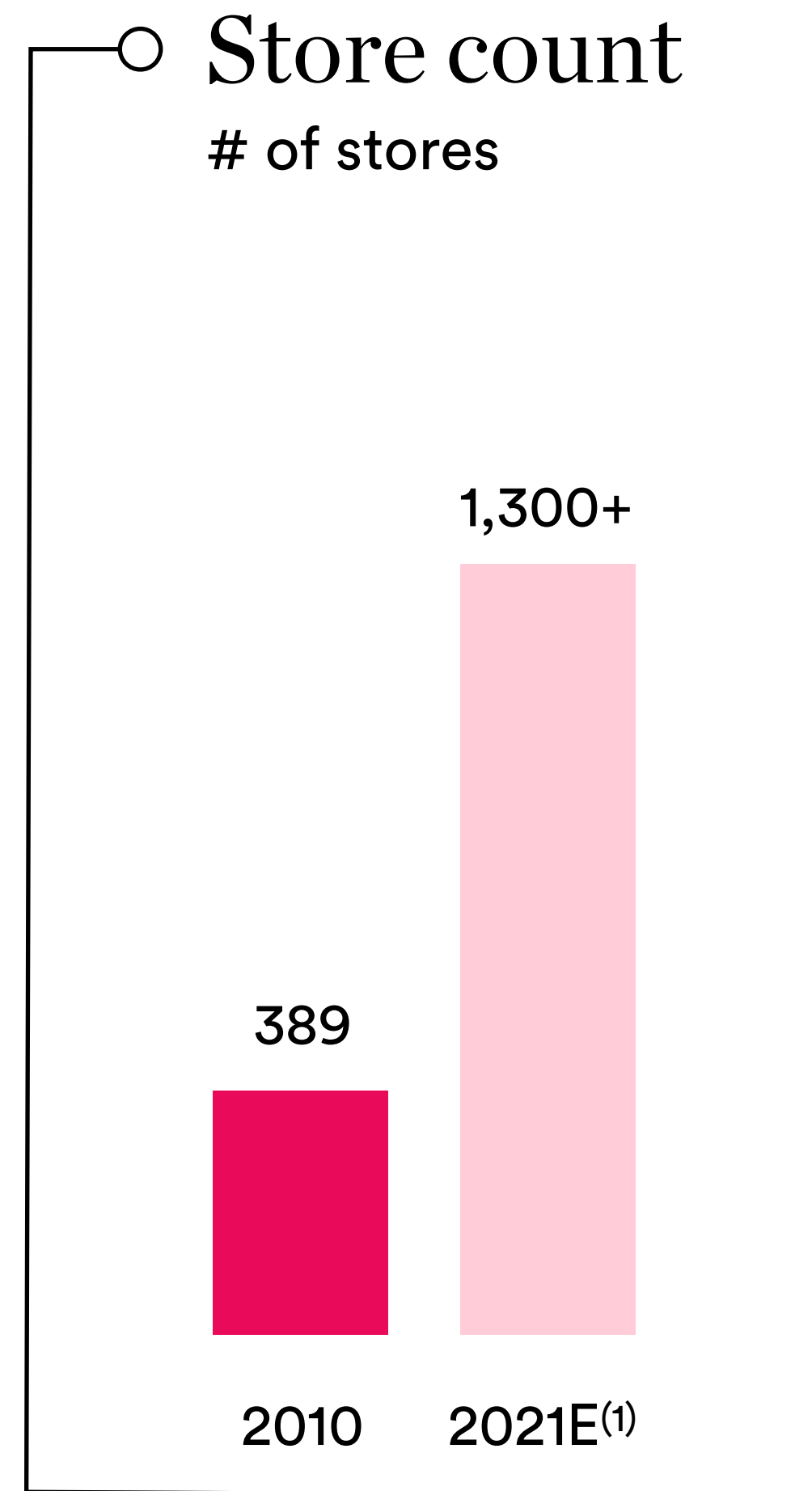
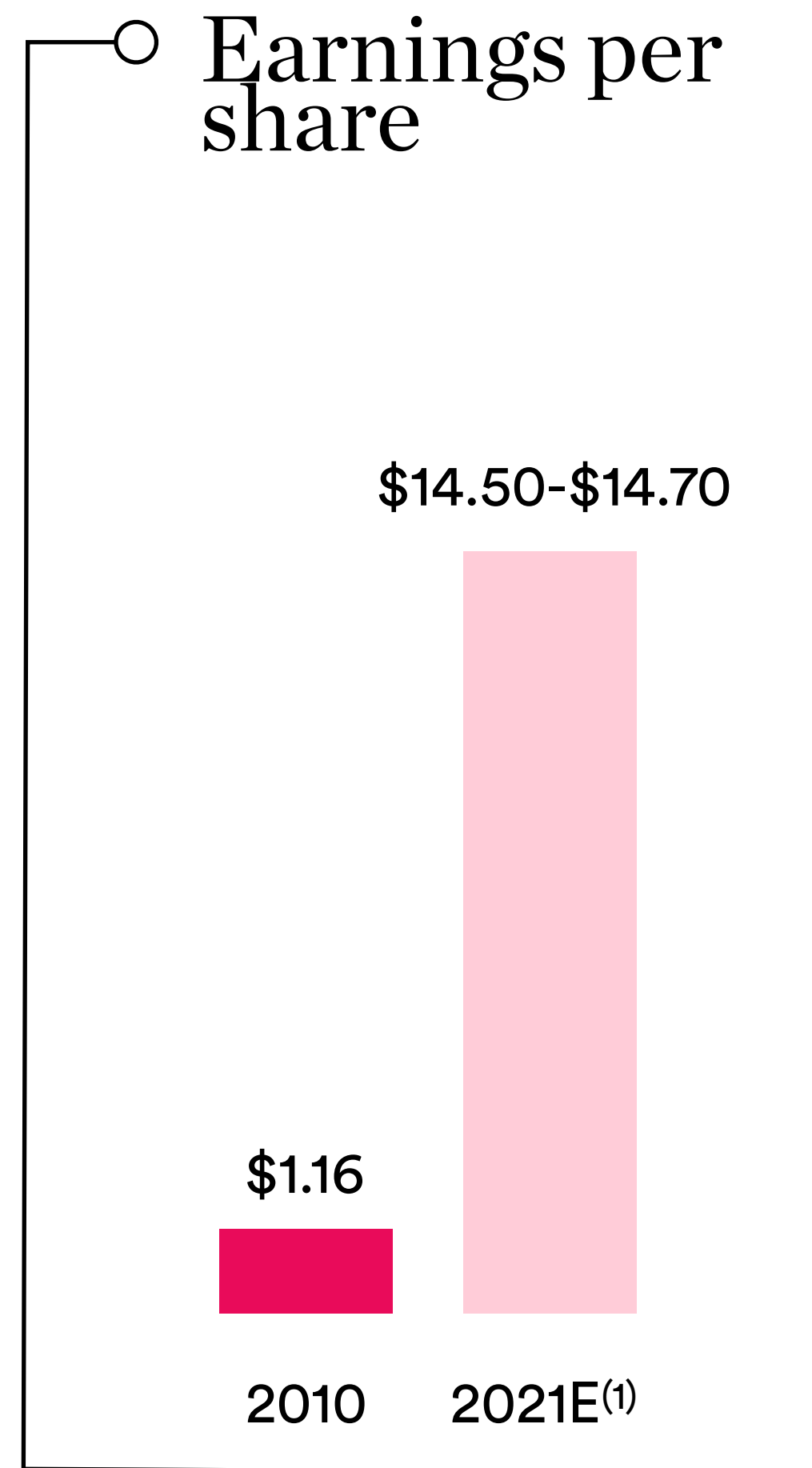
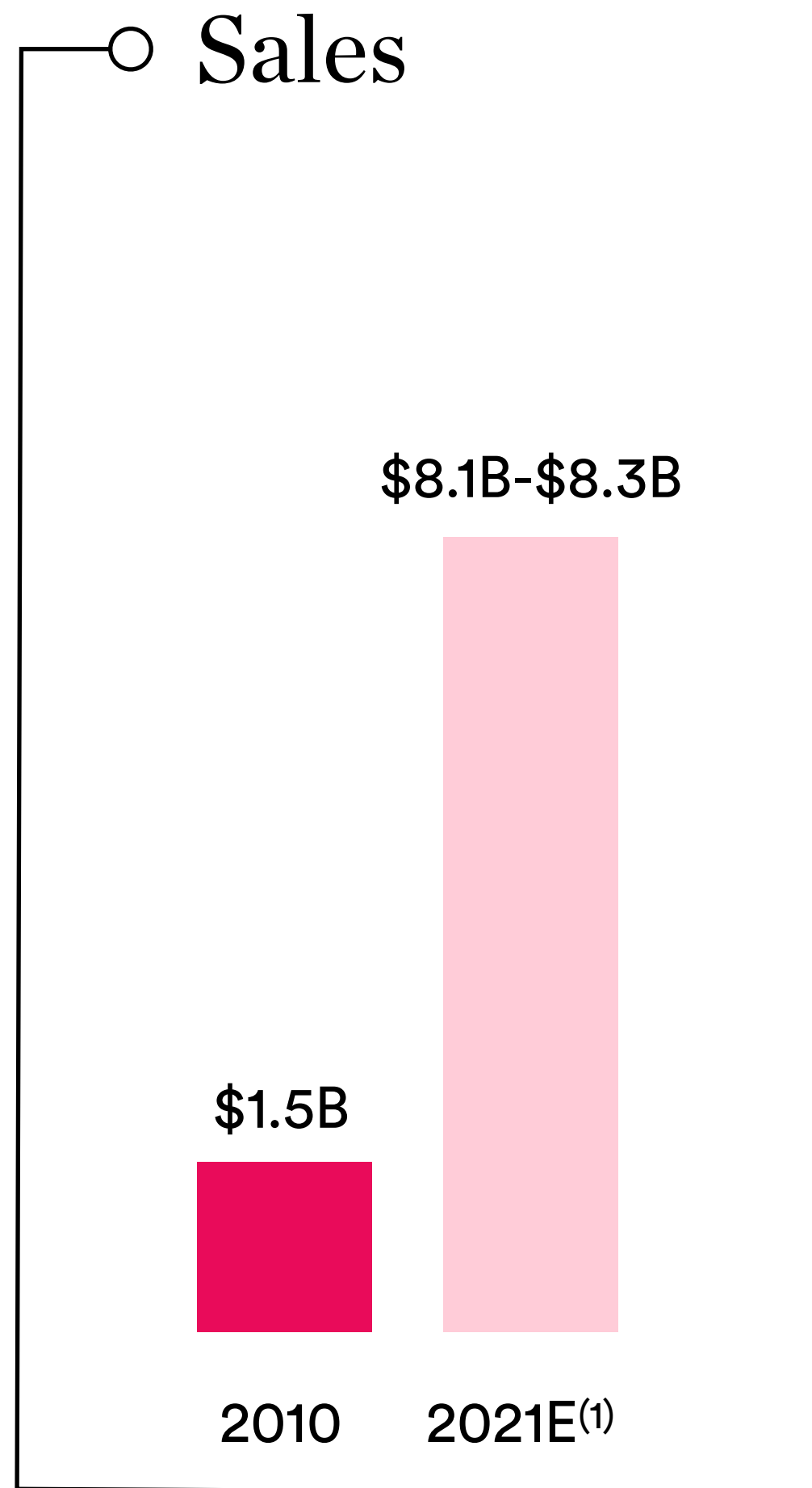
2020+

what's next

*Continue as
the undisputed
leader in beauty*

INDUSTRY-LEADING

performance in our latest decade



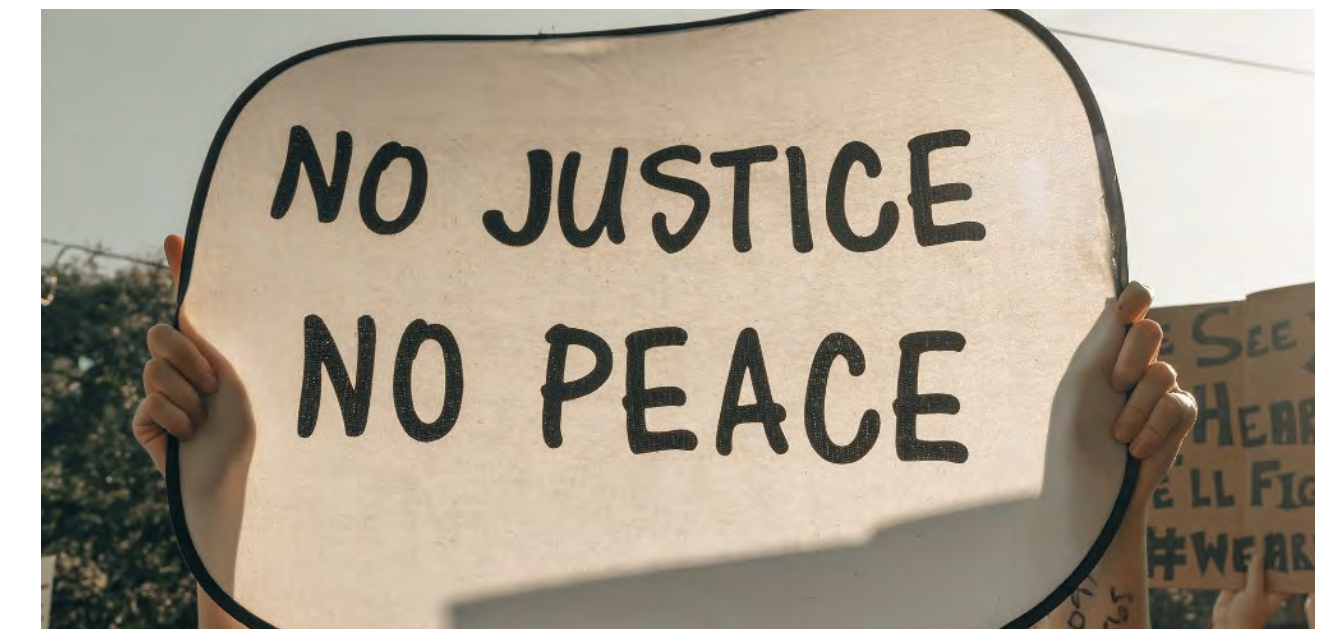
⁽¹⁾2021 Guidance provided in earnings release published on August 25, 2021

⁽²⁾Source: NPD Prestige Market Share from Hot of the Press 2016, Decision Key 2021 as of Q2 2021

Unprecedented change and disruption



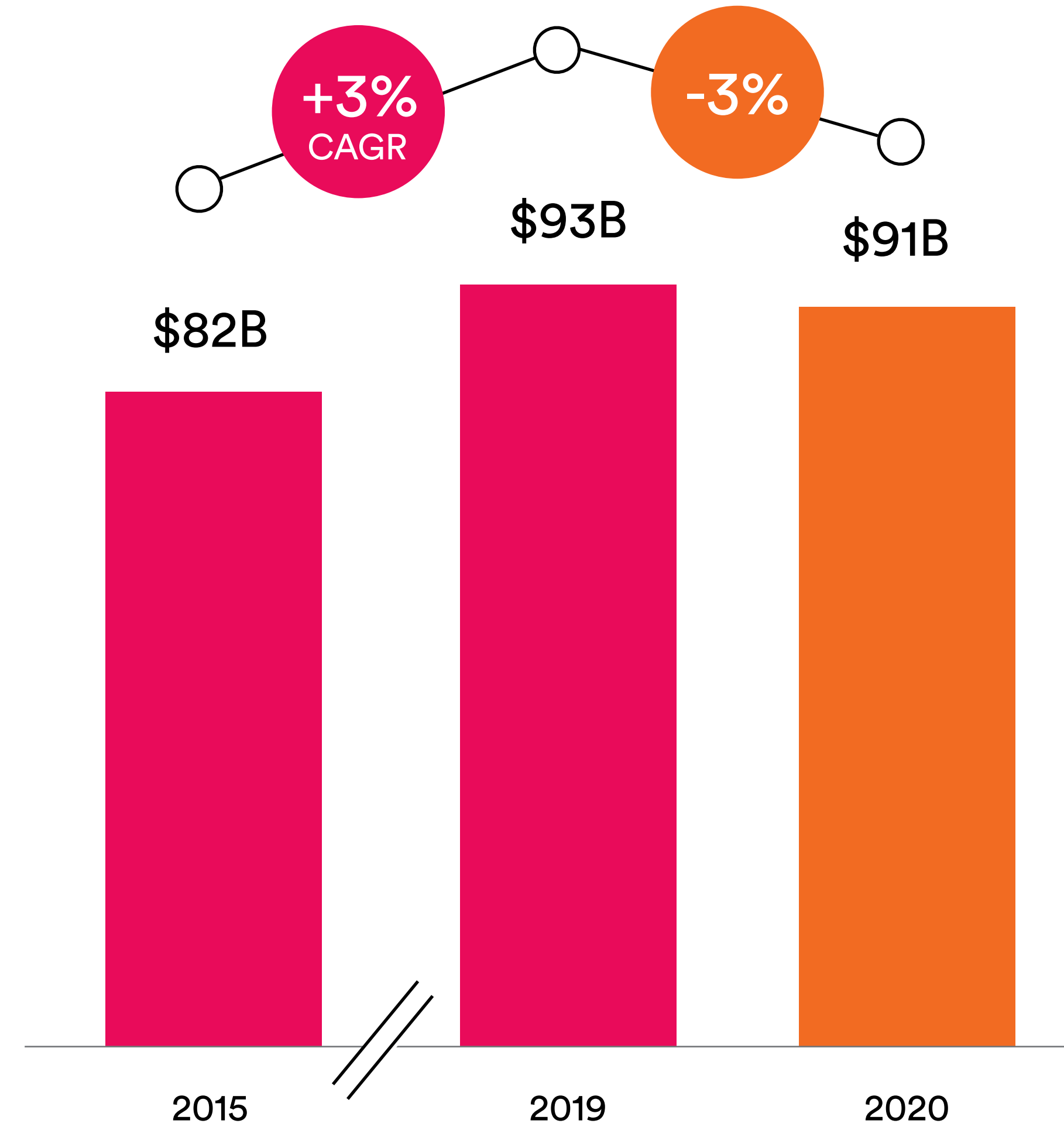
- Global pandemic
- Social justice movement
- Economic disparities
- Lifestyle impacts
- Climate crisis + weather events



Beauty and personal care market was disrupted

- Temporary store closures
- eCommerce channel shift
- Channel blurring across mass and prestige
- Acceleration of self-care categories
- Growth of emerging channels

US beauty and personal care market (sales)



Source: Euromonitor Beauty and Personal Care in the USA 2021 report

Forces shaping the future of beauty retail



Expanding
definition
of beauty



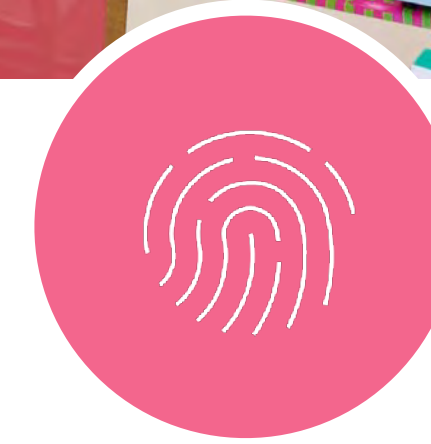
Digital
acceleration



Evolution of
the physical store



Democratization
of beauty



Personalization
and loyalty
reinvented

Ulta Beauty is **UNIQUELY POSITIONED** to thrive due to three elements

1

attractive
and growing
category

2

strong
proven business
model

3

winning
culture
and team

Well-defined strategy to drive growth



Attractive and Growing Category

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White Peach Rose & Peony
Herbal Body Wash



human

connection is at the center
of the beauty category



...and *engagement* is higher than ever

65%

of consumers believe that the beauty category is significantly connected to wellness⁽¹⁾



In terms of beauty, I do feel more energized and healthy when I do [my self-care]. I feel brighter and happier, and just overall more confident and by result I feel more beautiful that way.



Beauty is embodying the things you enjoy. Beauty is an on-going process. You can use cosmetics to build it but YOU need to be the base.

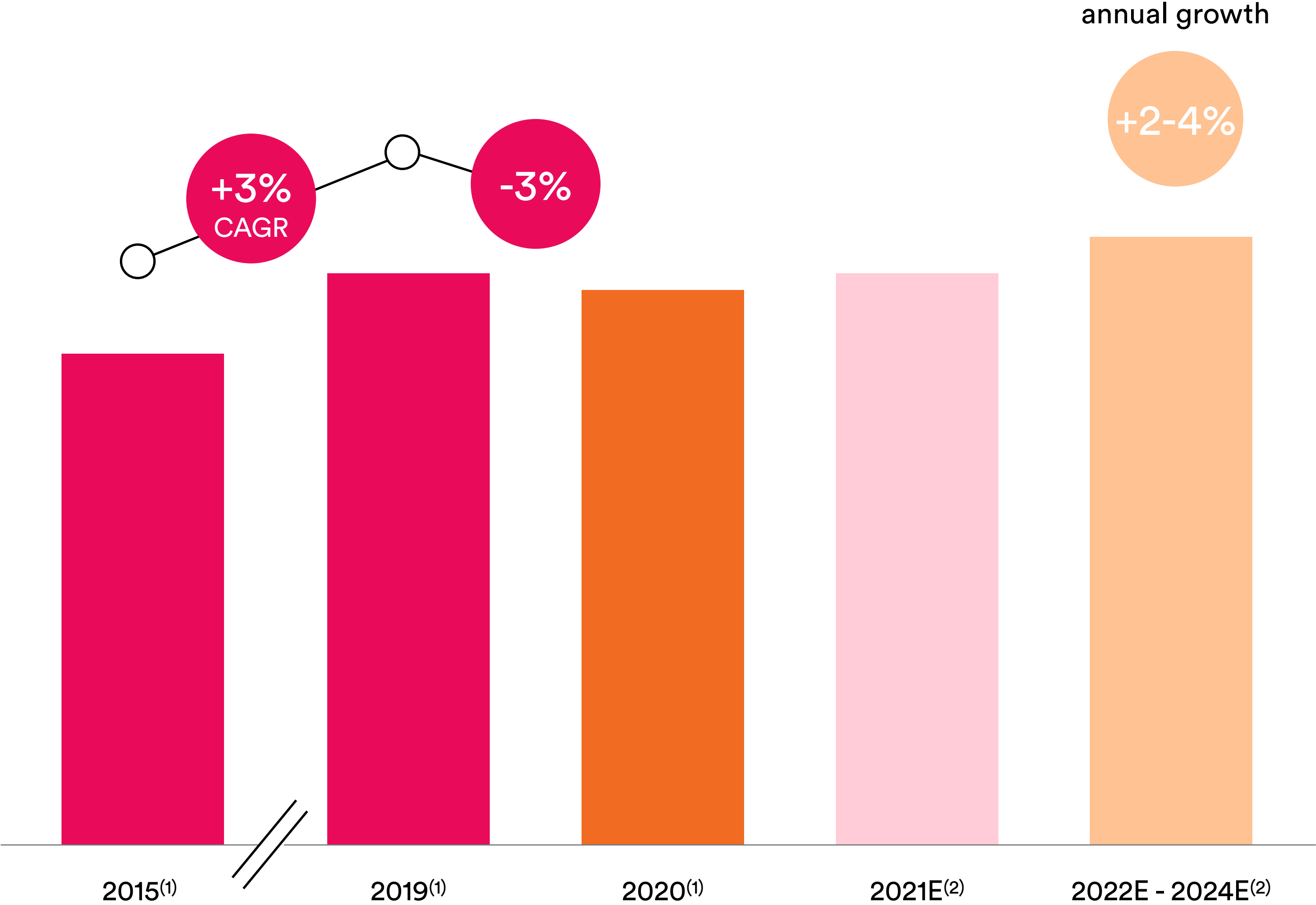
It's really important to me. For some reason [makeup] does this thing where it just solidifies how strong and powerful I am. It brings a sense of who I am so much more because I'm representing all of the inside of me outside.



⁽¹⁾Ulta Next Better proprietary consumer research as of June 2021

US Beauty and Personal Care Market (sales)

Beauty category
returning to
growth



⁽¹⁾Source: Euromonitor Beauty and Personal Care in the USA 2021 report

⁽²⁾Ulta Beauty proprietary beauty market model

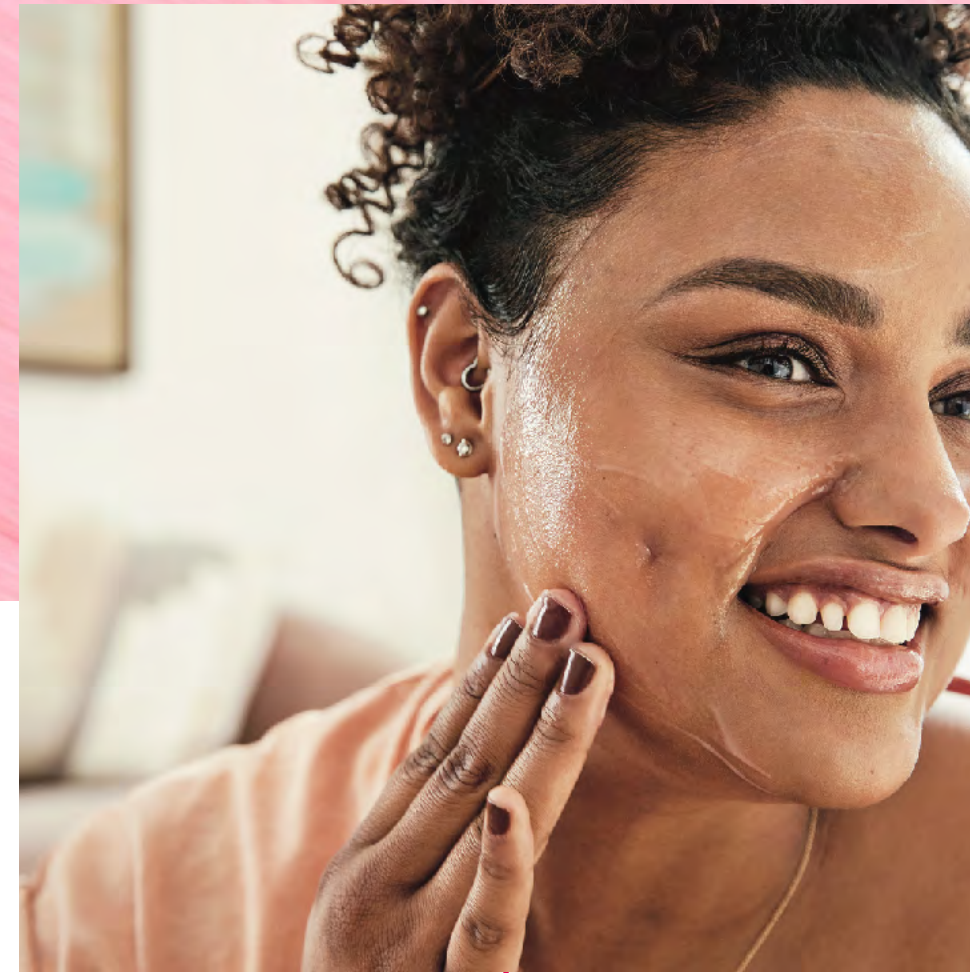
STRONG OUTLOOK ACROSS CATEGORIES



makeup

RETURN TO GROWTH

Strong resurgence with increasingly positive sentiment



skincare

SUSTAINED GROWTH

Routines and frequency will continue to hold steady



haircare

SEGMENT ACCELERATION

Continued focus on hair health and growth of textured segments



fragrance & bath

CONTINUED GROWTH

Strong growth in bath with rise of self-care and sustained increase in fragrance wearing occasions



Strong, Proven Business Model

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Unique and enduring value proposition continues to drive our success



One-of-a-kind assortment

Destination for mass & prestige across beauty categories all in one place

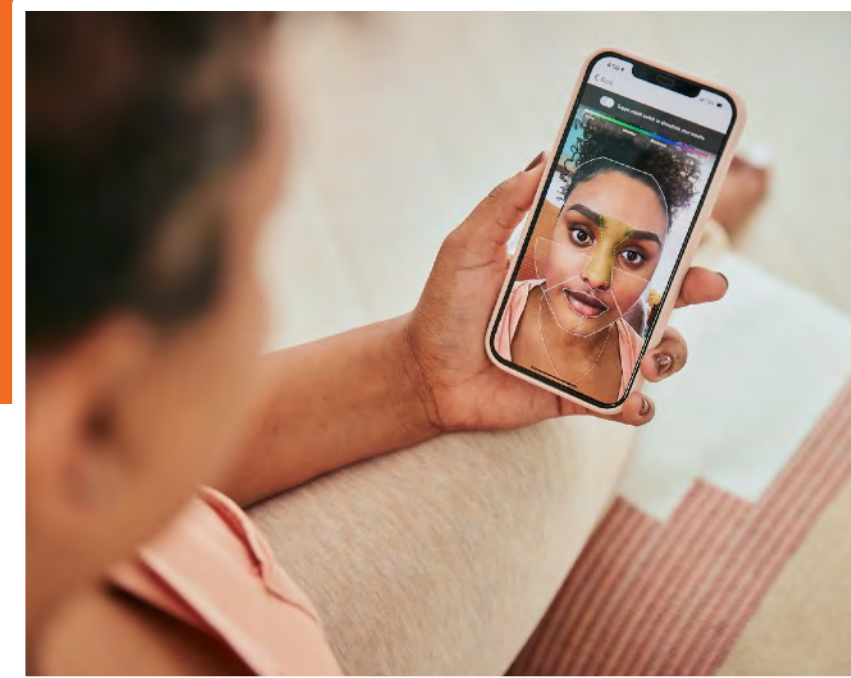
- 25,000+ products
- 600+ brands



Store footprint

Broad footprint of 1,300+ stores concentrated in off-mall locations with one iconic & consistent store format

- 390 net new store openings between 2016 and 2020



Leading digital experience

Winning digital experience driving outpaced growth; convenient and immersive omnichannel experience that our guests love

- eCommerce sales grew by 55% (CAGR) from 2016 to 2020



Best-in-class loyalty program

Strength of Ultamate Rewards enables higher share of wallet and deeper insights about what our members want

- 34.6M members



Human connection and guest experience

Knowledgeable and engaging store associates and our full suite of services driving competitive advantage

Customer experience across physical and digital focuses on connection, self-care, and positivity



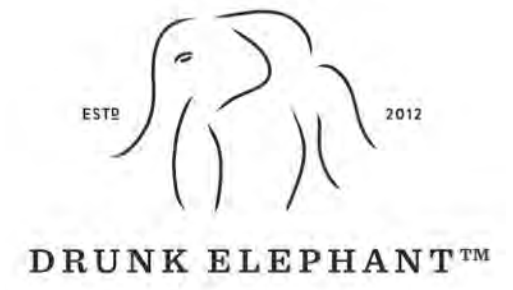
Newness has continued to drive growth

Select brands, not exhaustive



LAURA MERCIER
PARIS | NEW YORK

BOBBI BROWN



The Ordinary.



KRISTIN ESS
HAIR

PEACH & LILY

SUNDAY RILEY



BLK/OPL.

fur

BONDI BOOST



TRULY

goli
NUTRITION



fresh.



Briogeo

florence
by mills

TANOLOGIST



melanin
haircare

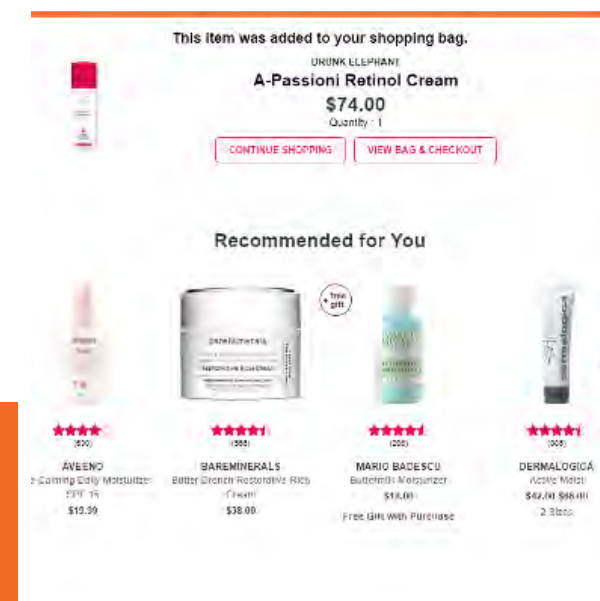
mented

HOURGLASS

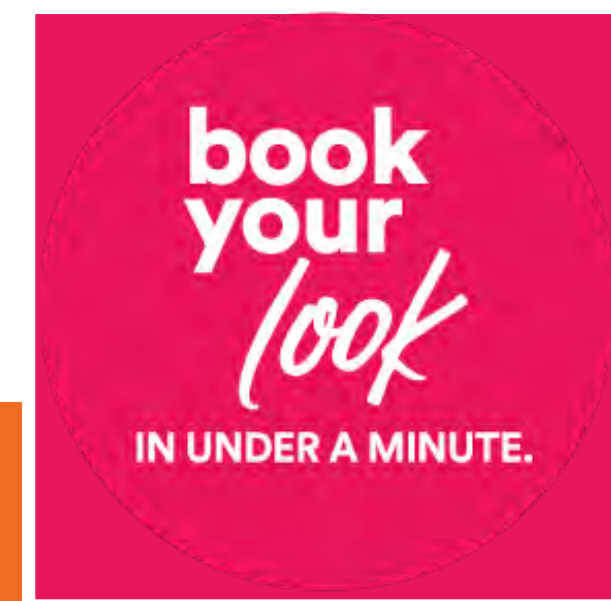
VALENTINO

Ouai

Creating the future of digital centrality



commerce



experiences



connection



innovation

Leading mobile first website & app

Seamless omnichannel (BOPIS / Curbside)

Social selling

Online booking: Book the Look

In-store app mode as a mobile assistant

In-store QR codes for product discovery

Strategic platform immersive experiences

Leading social media presence

Personalization across channels

Guest Services chatbot

GLAMlab Virtual Try-On

Skin Analysis with personalized routines

Livestreaming and beauty consultation

AI driven product finders and guided selling tools

Recognized for leading experiences

#2

of 61 specialty retail brands in Gartner's 2020 Digital IQ Index

#1

Social media engagement in beauty retail

#1

Most used beauty app

4.9★

in Apple App Store

1M+

Apple & Google reviews



Adapting to the environment while staying true to our model

refocus

- Suspended Canada launch to focus on core
- Restructured corporate and field management teams
- Implemented numerous health and safety measures in stores
- Closed 19 stores to strengthen real estate portfolio

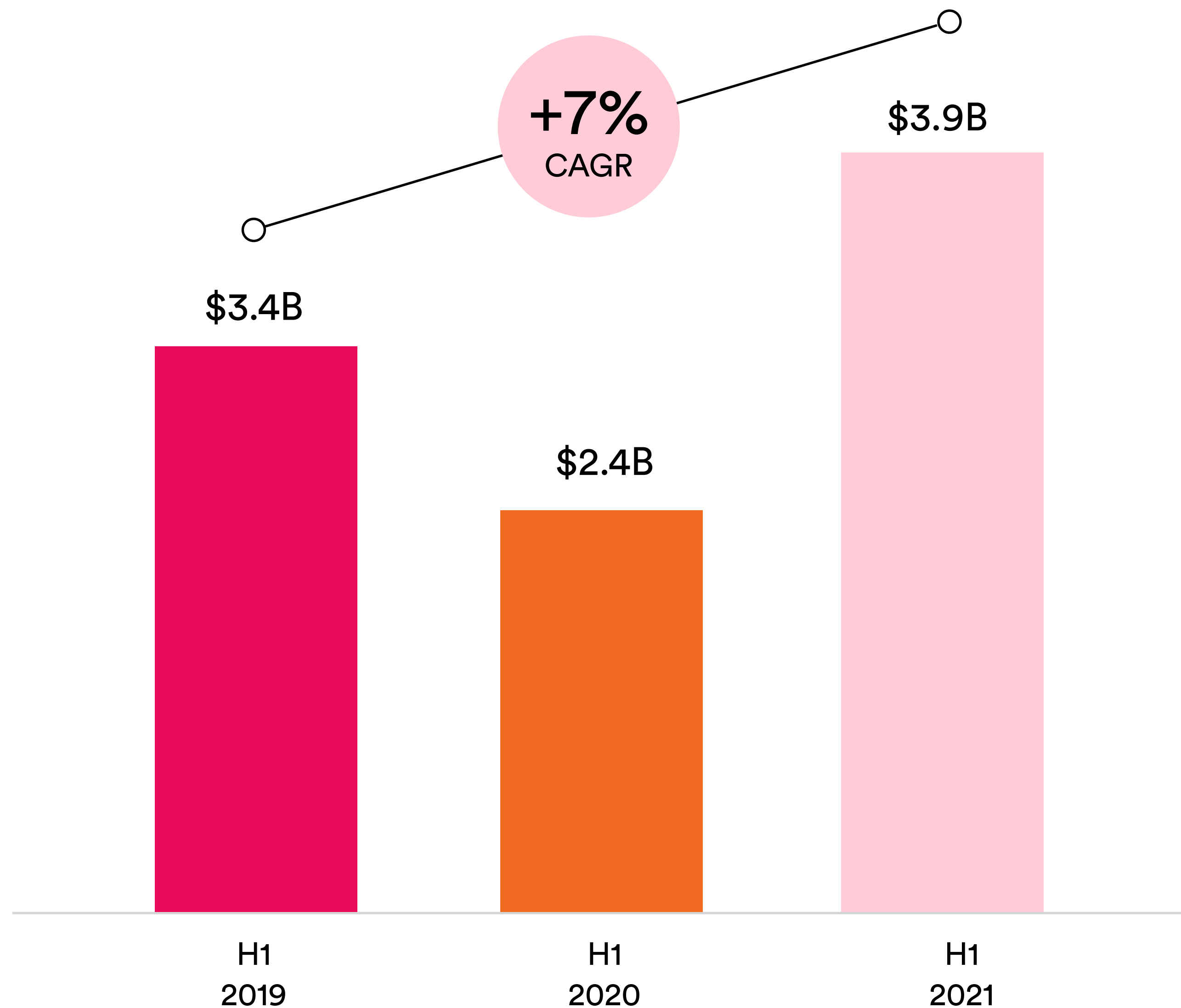
accelerate

- Rolled out omnichannel methods swiftly to meet consumer demand (curbside)
- Enhanced digital and CRM capabilities
- Optimized promotional activity
- Launched transformational Target partnership
- Supercharged our internal and external diversity, equity and inclusion (DEI) efforts

OUR AGILITY

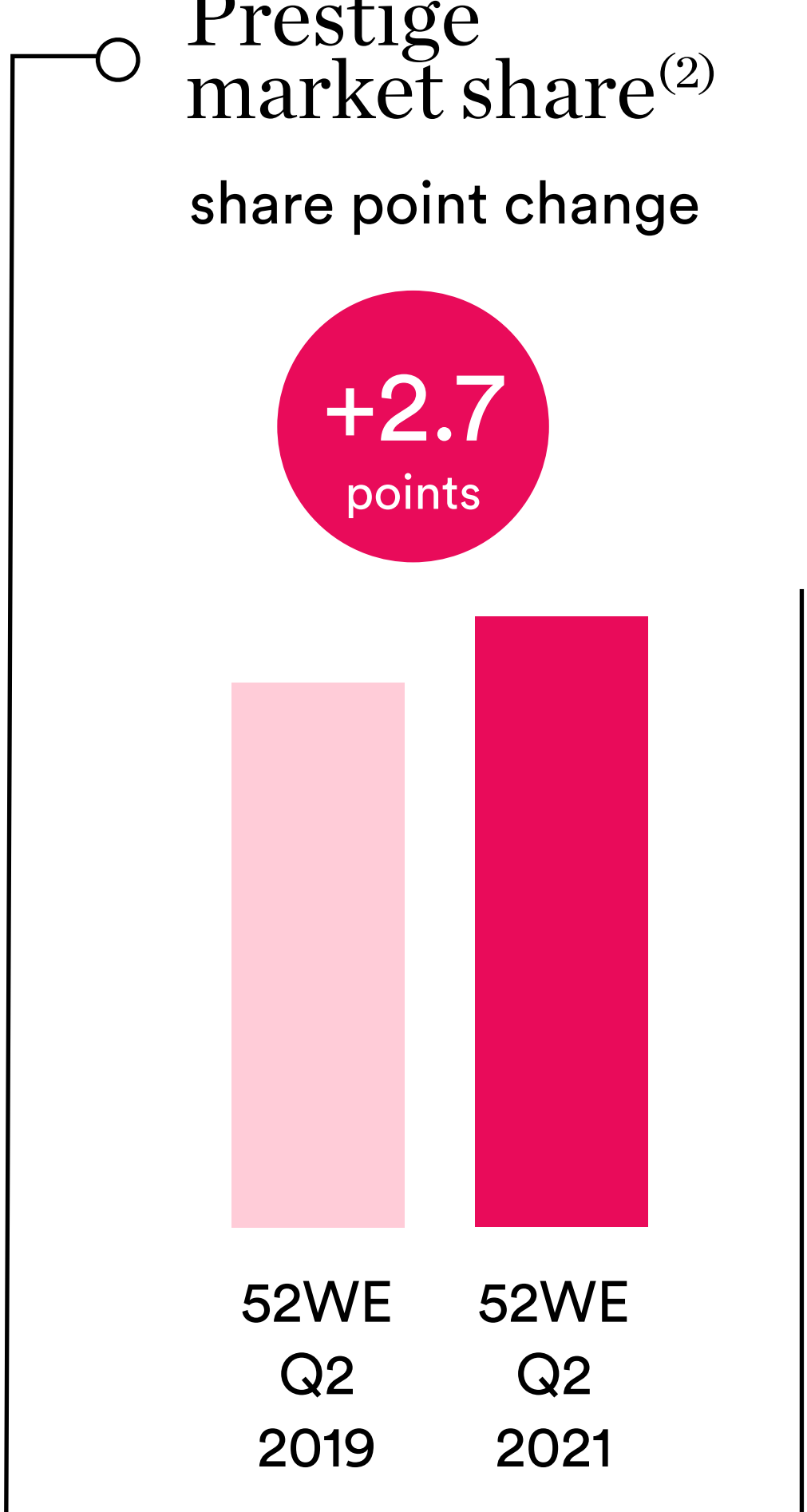
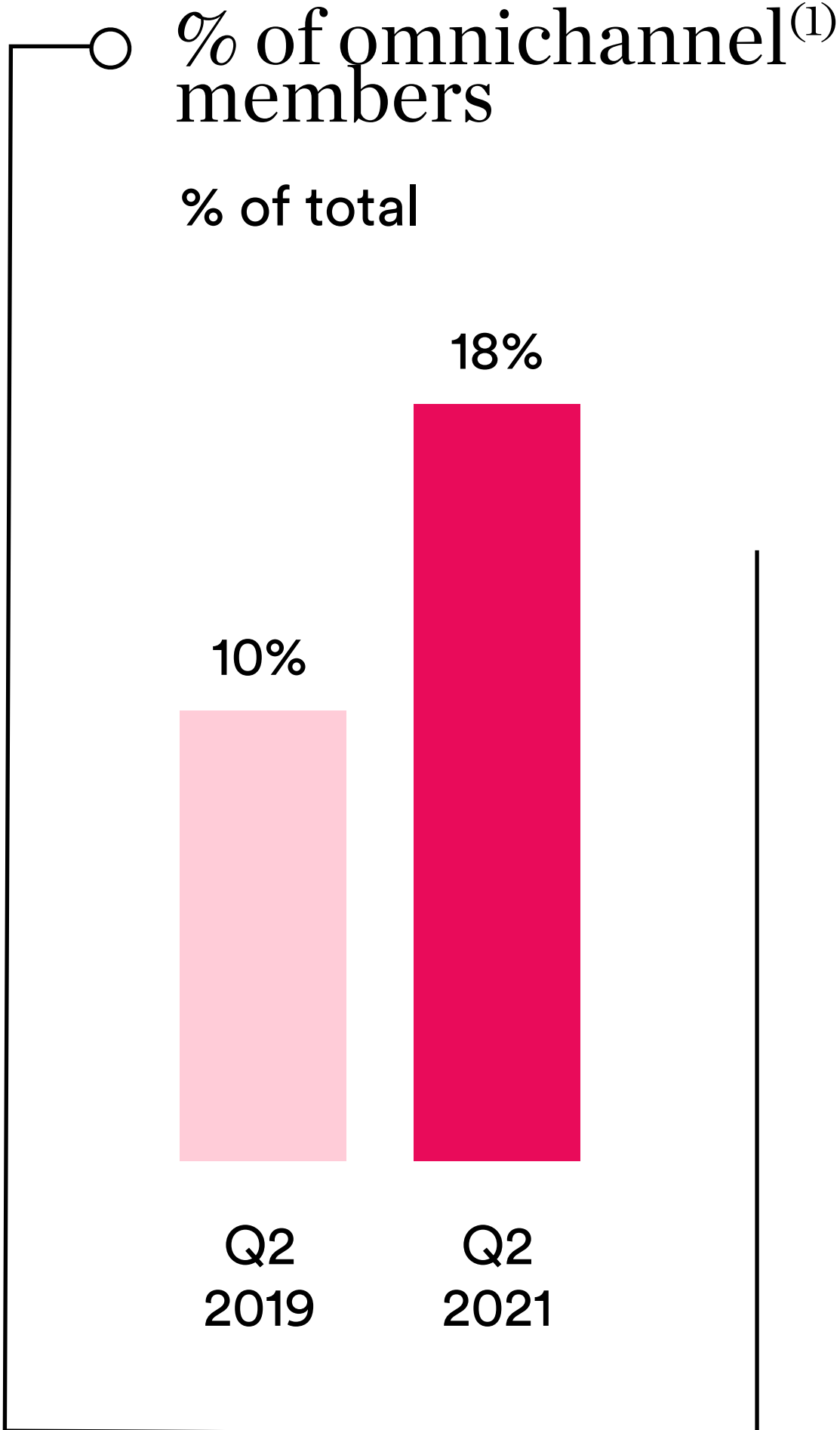
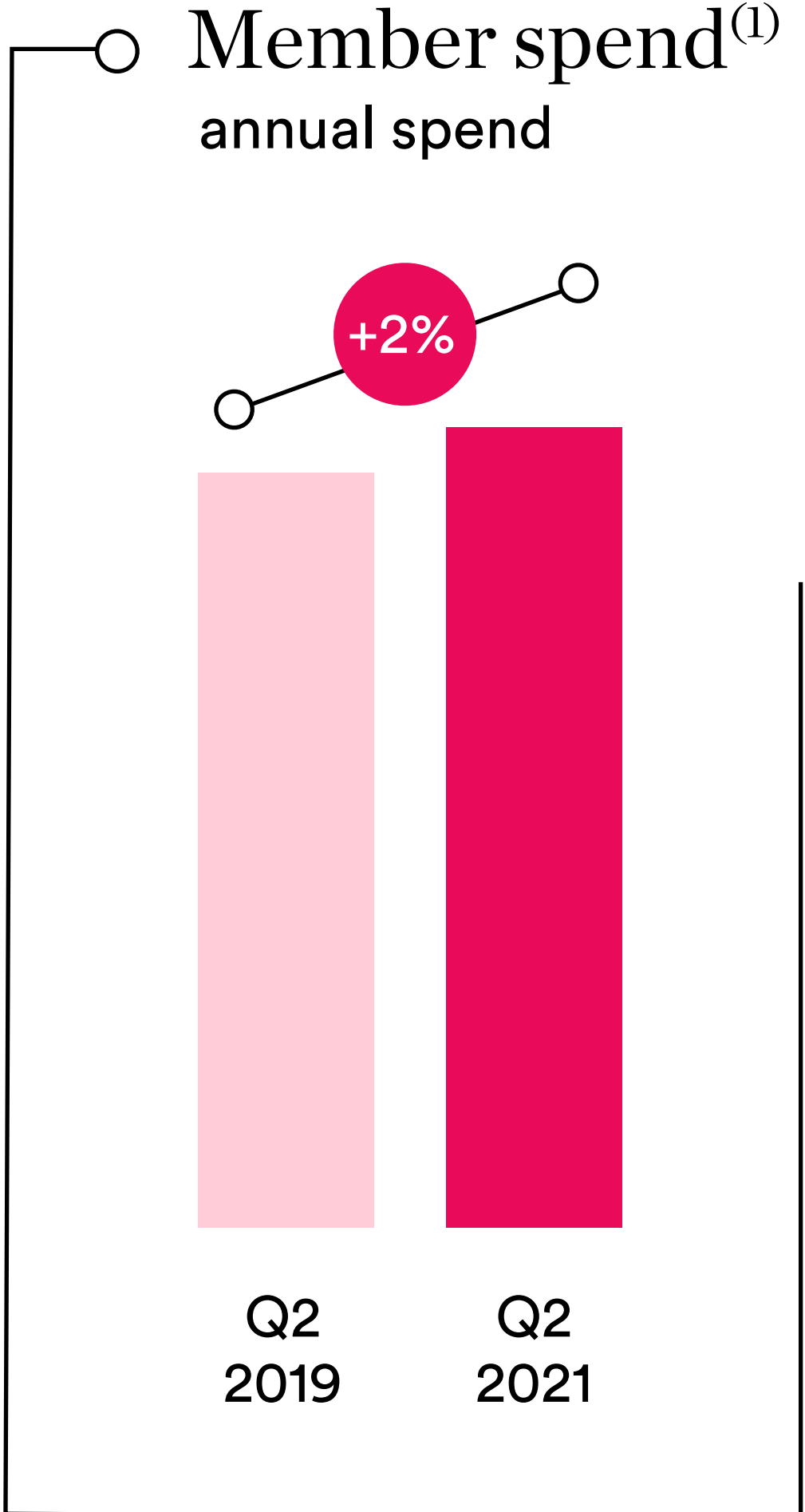
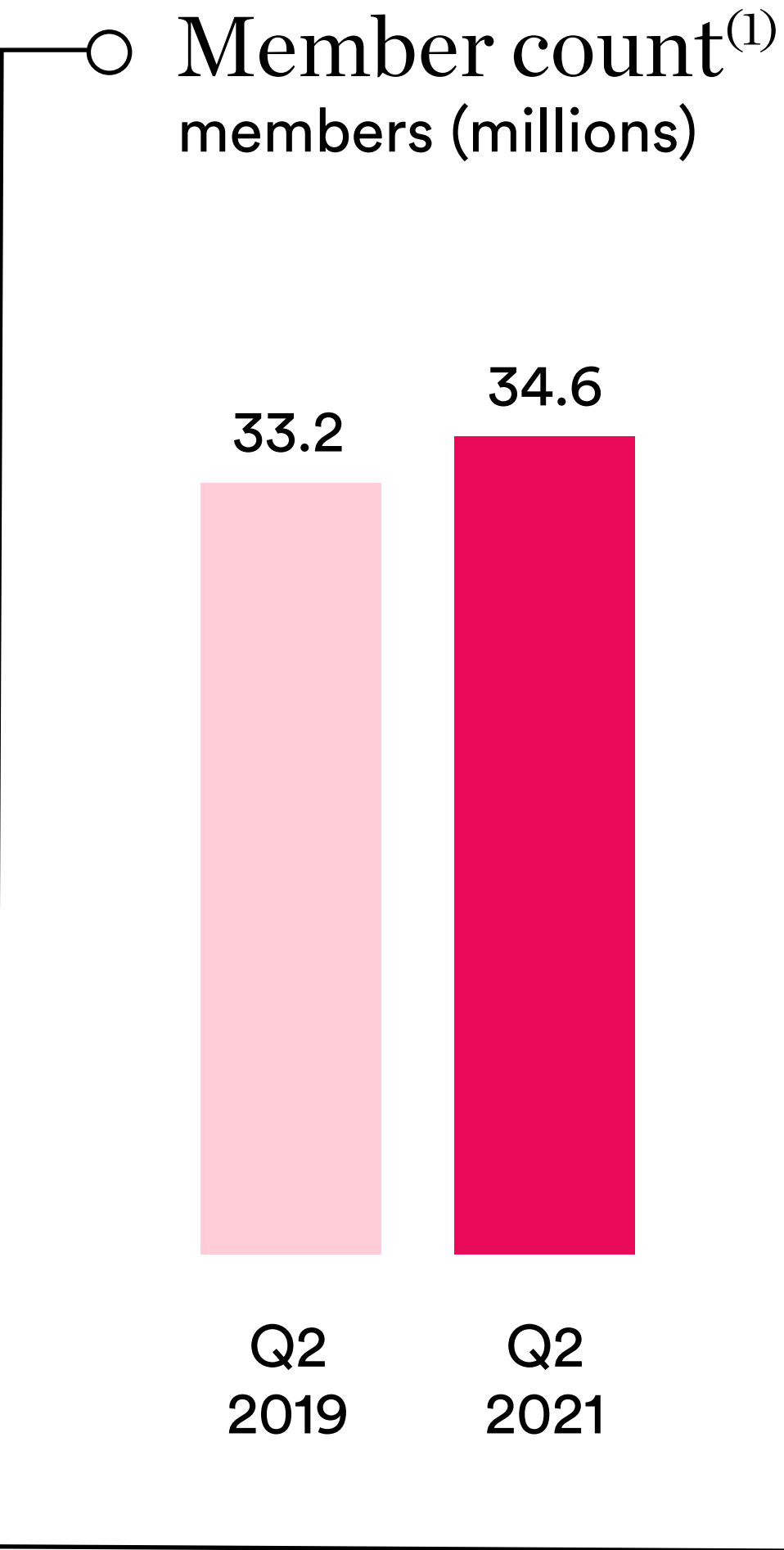
has resulted in strong financial recovery

Net Sales



STRONG MOMENTUM

emerging from pandemic



⁽¹⁾Member data is based on rolling 12 month period

⁽²⁾The NPD Group / U.S. Prestige Total Measured Market / market share for calendar year 2013 from Hot off the Press 2016 / market share for 52WE Q2 2021 is 52 weeks ending July 31, 2021



Winning Culture and Team

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Mission

Every day, we use the power of beauty to bring to life the possibilities that lie within each of us — inspiring every guest and enabling each associate to build a fulfilling career.

Vision

To be the most loved beauty destination of our guests and the most admired retailer by our Ulta Beauty associates, communities, partners and investors.

Values



How we lead plays a key role in our success

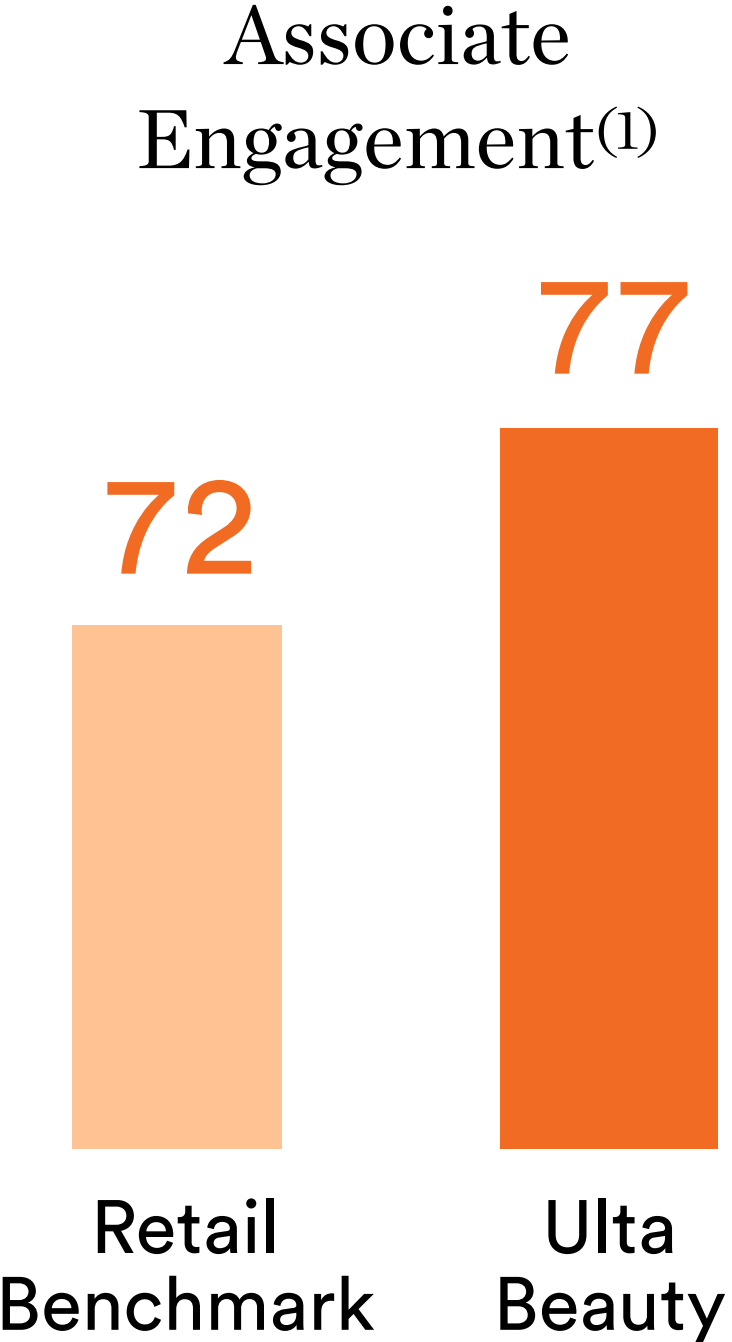


STRONG CULTURE and COMMITMENT to our associates

EXTERNAL



INTERNAL



⁽¹⁾2021 Voice of the Associate Survey through Glint Inc.



*We believe beauty makes
the world a better place.*

ESG at Ulta Beauty

As a leader in beauty, we will use our influence to drive positive impact



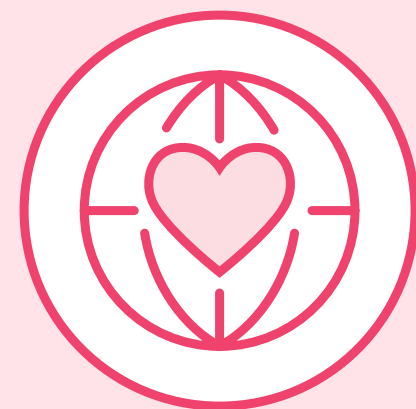
People

- ✓ **82%** of associates surveyed say their teams create a diverse and inclusive working environment
- ✓ **6,000+** women elevated to management roles in past 6 years
- ➔ **47%** of all associates are people of color and we plan to improve representation in management over time⁽¹⁾



Product

- ✓ Launched **Conscious Beauty Platform** in 2020 with **200+ brands** certified in 1 or more pillars
- ✓ **50%** of packaging will be recyclable, refillable, or made from recycled or bio-sourced material by 2025
- ✓ Recognized as **Most Improved Retailer** – 2021 Mind The Store
- ➔ Sustainable packaging progress and Made Without List updates in 2022



Community

- ✓ Giving Back: **\$37M** raised since 2009 for BCRF⁽²⁾ for researcher support and **\$2.3M** raised for Save the Children since 2016 with \$1.2M raised in 2 weeks in 2020
- ✓ Supporting: Provided **\$1M** in grants to associates in need of financial assistance in times of crisis through the Associate Relief Fund, **donated 50+ pallets of products** to families in need as part of COVID relief
- ➔ Expand focus on **underrepresented communities** (BIPOC & LGBTQ+); increase associate volunteerism



Environment

- ✓ **Year-over-year increase** in use of Clean Energy
- ✓ **#16** among US EPA's Top Retail Green Power Partners
- ✓ Using Energy Management + Solar + RECs to improve **energy efficiency in stores**
- ✓ Beauty Sector Lead for **Consortium to Reinvent the Retail Bag**
- ➔ **GHG emissions reduction** goal

⁽¹⁾As of 2021

⁽²⁾Breast Cancer Research Foundation

Diversity, equity and inclusion are engrained in our strategy and culture

2021 COMMITMENTS



Amplify & invest in underrepresented voices

\$25M in media investments across multicultural platforms

Launched MUSE to celebrate, honor and amplify Black voices in beauty

Launched MUSE 100



Black-owned brands

Double the number of Black-owned brands in our assortment by the end of 2021

\$4M to marketing support of Black-owned brands

Joined the Fifteen Percent Pledge



Guest experiences

\$2M investment for quarterly, in-store training to cultivate inclusive experiences

Race Matters 2.0 leadership training



Associate experiences

Double DEI trainings across the enterprise

Launched inclusive recruiting efforts

Established a Diverse Leaders Program



Accountability

Established governance led by the Executive Team

Welcomed Tracee Ellis Ross as our Diversity & Inclusion advisor

○ *Our leadership team*



Dave Kimbell
chief executive officer



Monica Arnaudo
chief merchandising officer



Prama Bhatt
chief digital officer



Jodi Caro
general counsel,
chief risk & compliance officer



Jeff Childs
chief human resources officer



Shelley Haus
chief marketing officer



Scott Settersten
chief financial officer



Kecia Steelman
chief operating officer



Amiee Thomas
chief supply chain officer



Strategy to Drive Growth

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OUR RALLY CRY

bigger — *better* — *together*

Disruption
Innovation
Growth

Speed
Efficiency
Excellence

People
Passion
Culture

from

ALL THINGS

the broadest assortment

BEAUTY

of hair, skin and makeup

ALL IN ONE PLACE

all in one store



to

ALL THINGS

the full immersive experience

BEAUTY

an expanded view of beauty

ALL IN YOUR WORLD

with you wherever you are

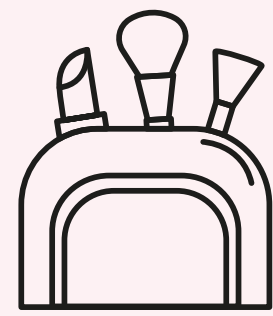
AT THE HEART

of the beauty community

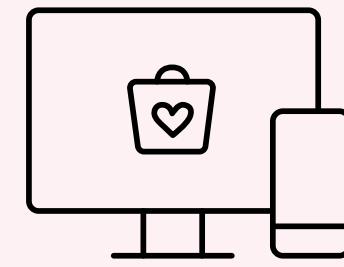


Our strategic intent: Expand market leadership and drive profitable growth

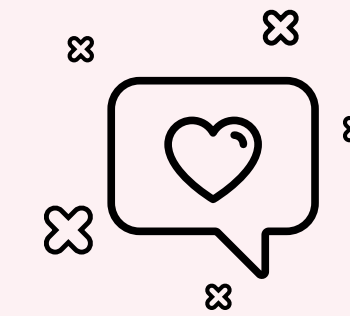
Ulta Beauty strategic framework



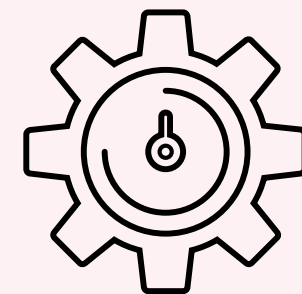
Drive breakthrough and disruptive growth through an expanded definition of **ALL THINGS BEAUTY**



Evolve the omnichannel experience through connected physical and digital ecosystems
ALL IN YOUR WORLD



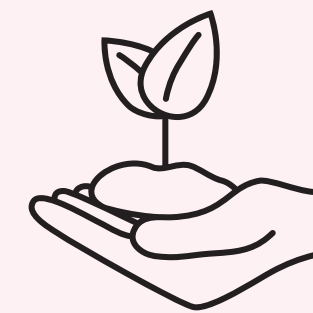
Expand and deepen our presence across the beauty journey as the **HEART OF THE BEAUTY COMMUNITY**



Drive **OPERATIONAL EXCELLENCE AND OPTIMIZATION**



Protect and cultivate our **WORLD-CLASS CULTURE AND TALENT**



Expand our **ENVIRONMENTAL AND SOCIAL IMPACT**

Financial targets

NET SALES GROWTH (CAGR)⁽¹⁾

5%-7%

OPERATING PROFIT (AS A % OF SALES)

13%-14%

DILUTED EARNINGS PER SHARE (CAGR)⁽¹⁾

low double-digit growth

⁽¹⁾Base year 2019

Note: Fiscal year 2023 is a 53-week year. Tax rate assumed at 24-25%.

Agenda

| Time (CST) | Content | Speaker |
|------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| 9:05 AM | Consumer and Brand Vision | Shelley Haus chief marketing officer |
| 9:25 AM | All Things Beauty: Merchandising Strategy | Monica Arnaudo chief merchandising officer |
| 9:50 AM | All in Your World: Omnichannel Strategy | Kecia Steelman chief operating officer Prama Bhatt chief digital officer |
| 10:20 AM | Break | |
| 10:30 AM | The Heart of the Beauty Community: Building Engagement and Loyalty | Shelley Haus chief marketing officer |
| 10:50 AM | Operational Excellence and Optimization | Kecia Steelman chief operating officer |
| 11:05 AM | Financial Outlook | Scott Settersten chief financial officer |
| 11:20 AM | Closing | Dave Kimbell chief executive officer |
| 11:30 AM | Q&A | |



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CREATING THE FUTURE OF BEAUTY & RETAIL

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Shelley Haus

chief marketing officer

pronouns: she/her/hers



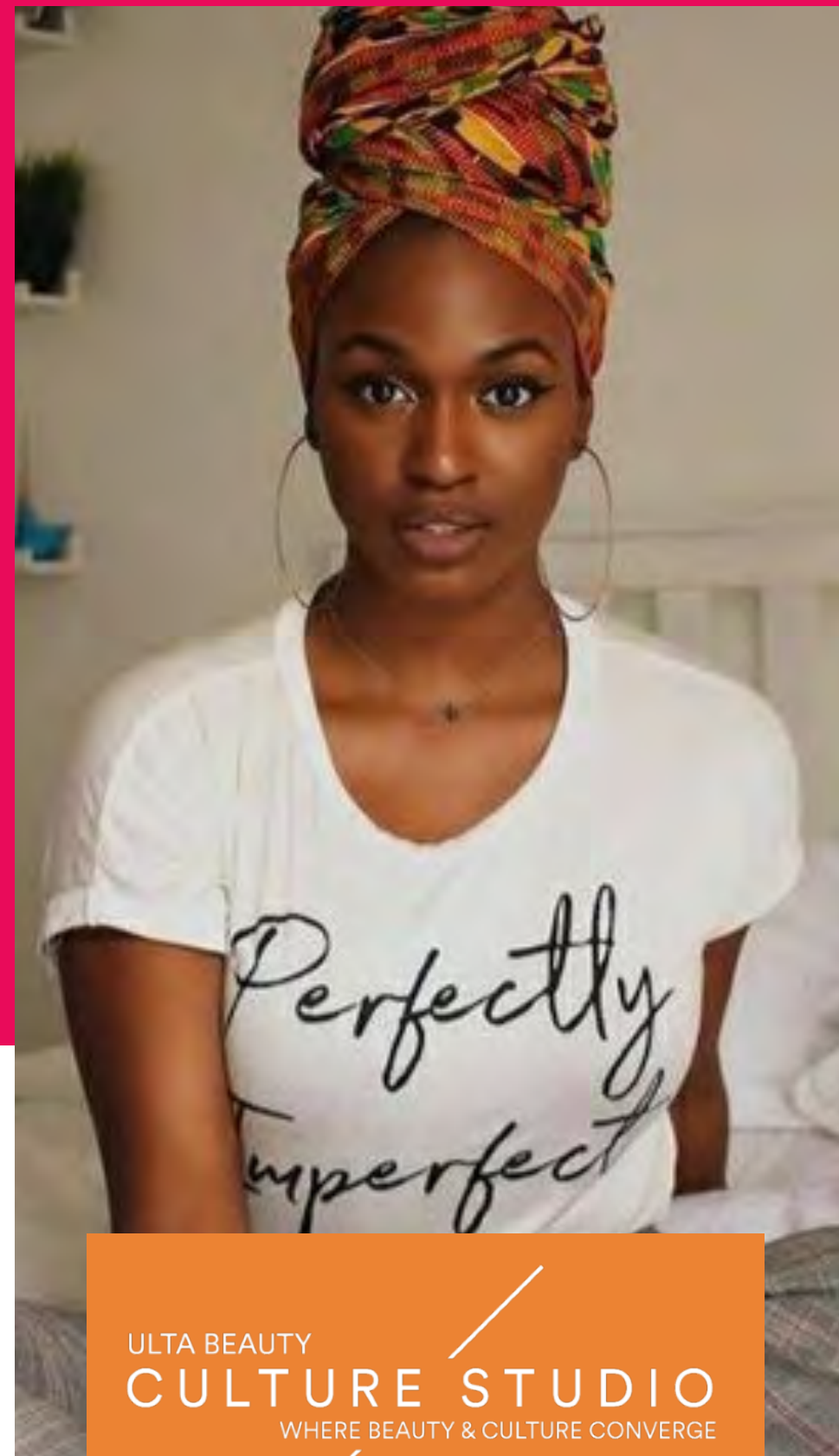
Our Consumer

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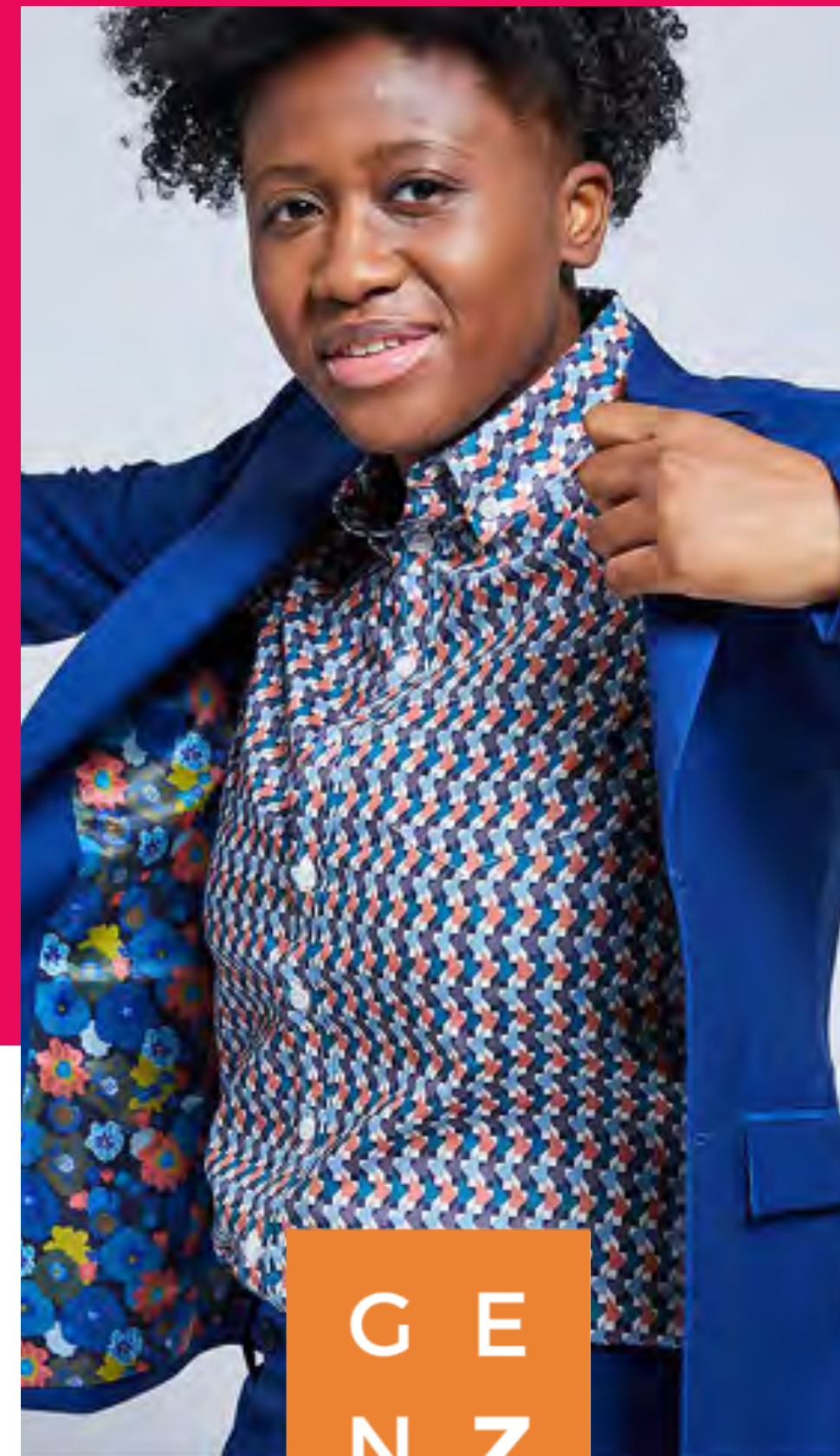


WE KNOW THE BEAUTY CONSUMER

Understanding long-term shifts and of-the-moment insights



ULTA BEAUTY
CULTURE STUDIO
WHERE BEAUTY & CULTURE CONVERGE

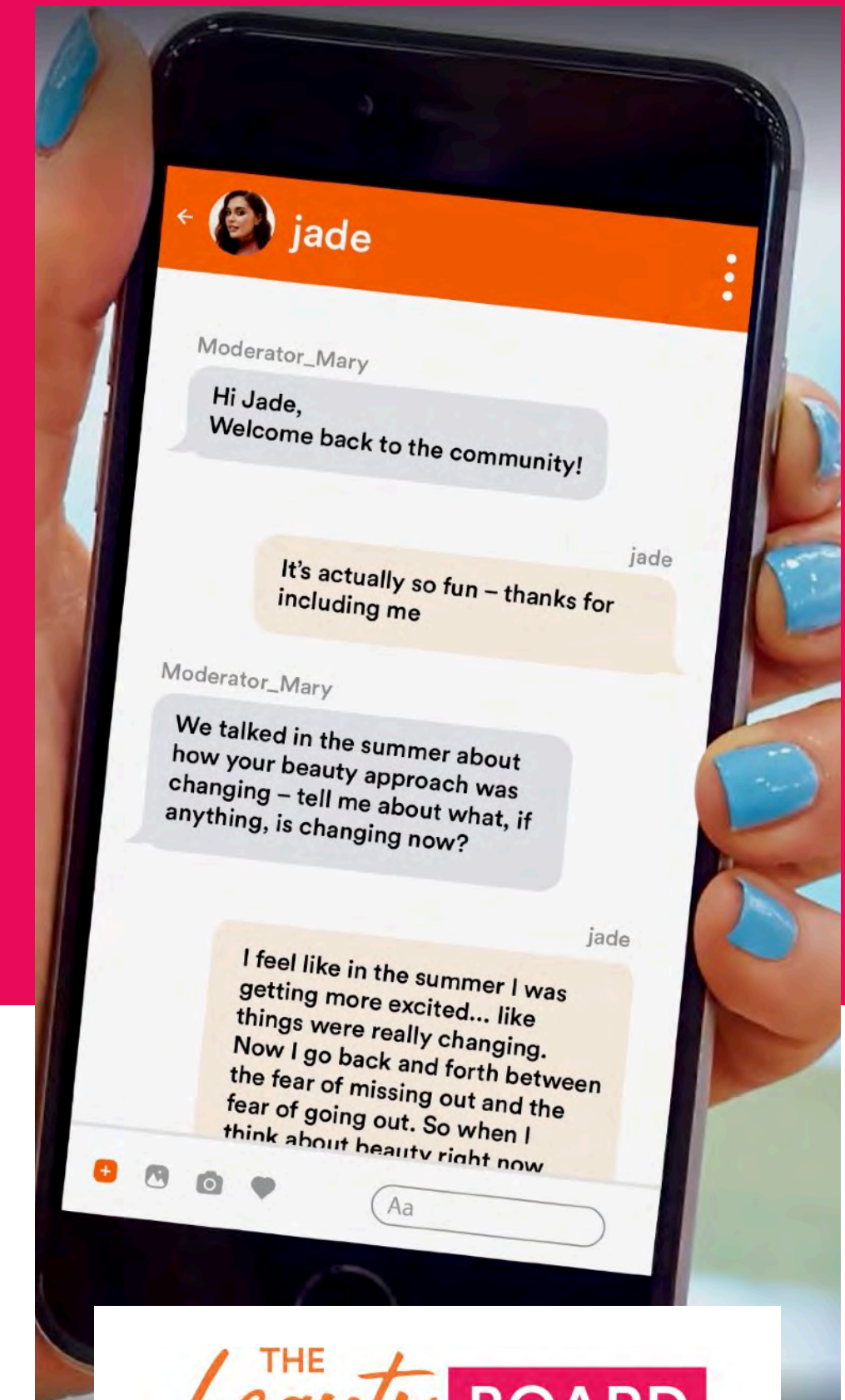


GEN Z

MATTERS



CX
CUSTOMER
EXPERIENCE
INTELLIGENCE



THE beauty BOARD
POWERED BY ULTA BEAUTY



OUR CONSUMER TARGET REMAINS THE BEAUTY ENTHUSIAST

Total Beauty Buyers
(female)

60%
are Beauty Enthusiasts
[Totaling 70 MILLION women]

accounting for
75%
of beauty spend

Gen Z Beauty Buyers
(female)

78%
are Beauty Enthusiasts

accounting for
87%
of beauty spend

We are focused on three key groups of Beauty Enthusiasts



GEN Z

MORE passionate about **EVERY** category

Engaging with beauty **EARLIER***

*compared to other generations⁽¹⁾

More **ETHNICALLY DIVERSE** than any previous generation



HISPANIC

Spend the **MOST** on beauty

HIGHEST penetration with Ulta Beauty

Shop Ulta Beauty **MOST** often

*among ethnicity cohorts⁽²⁾



BLACK

91% are **PASSIONATE** about beauty

But **1 in 3** feel discriminated against by the beauty industry

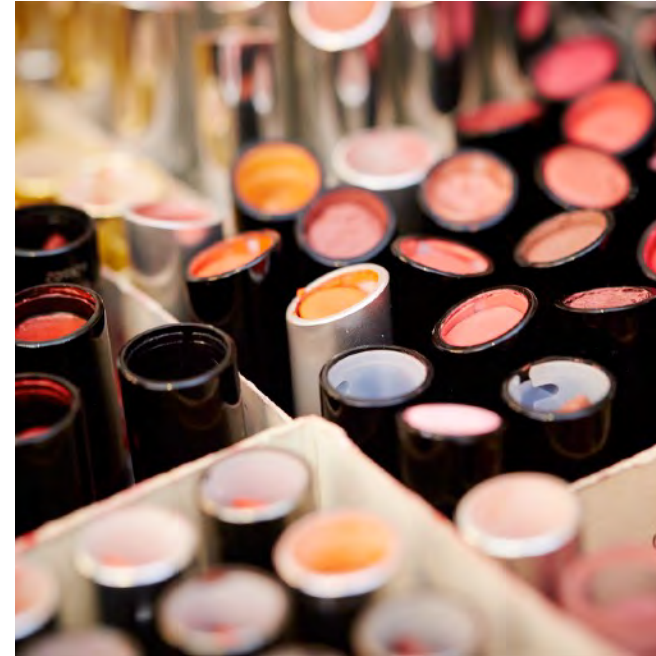
Spend more at **ULTA BEAUTY** than any other specialty retailer*

*among ethnicity cohorts⁽³⁾

⁽¹⁾Brand tracker, and Ulta Beauty Gen Z Research – Smarty Pants, 2019

⁽²⁾Ulta Beauty Brand Tracker – Hall & Partners, 2021

⁽³⁾Ulta Beauty Black Consumer Research – Pepper Miller, 2018; Numerator - 2021



getting to know the **Beauty Enthusiast**

Lives, loves, and breathes beauty

It's constant exploration and experimentation

Sees beauty as more than just a routine

It's an escape and a self-investment

Leans on to beauty for self-care, self-expression

It's an important part of total wellness

Finds joy, wellness, and excitement in beauty

It's always changing, always something new

Beauty has

SUPERPOWERS

*Beauty is such a
big part of my life.
It changes how you feel.*

LYNLEY

*Beauty is less about looking
good, but feeling comfortable
in your own skin.*

FEMALE, 16 YEARS OLD

*Beauty is a way to
show the world who
you want to be.*

MICHAEL





There is a whole new aspect of self-care.



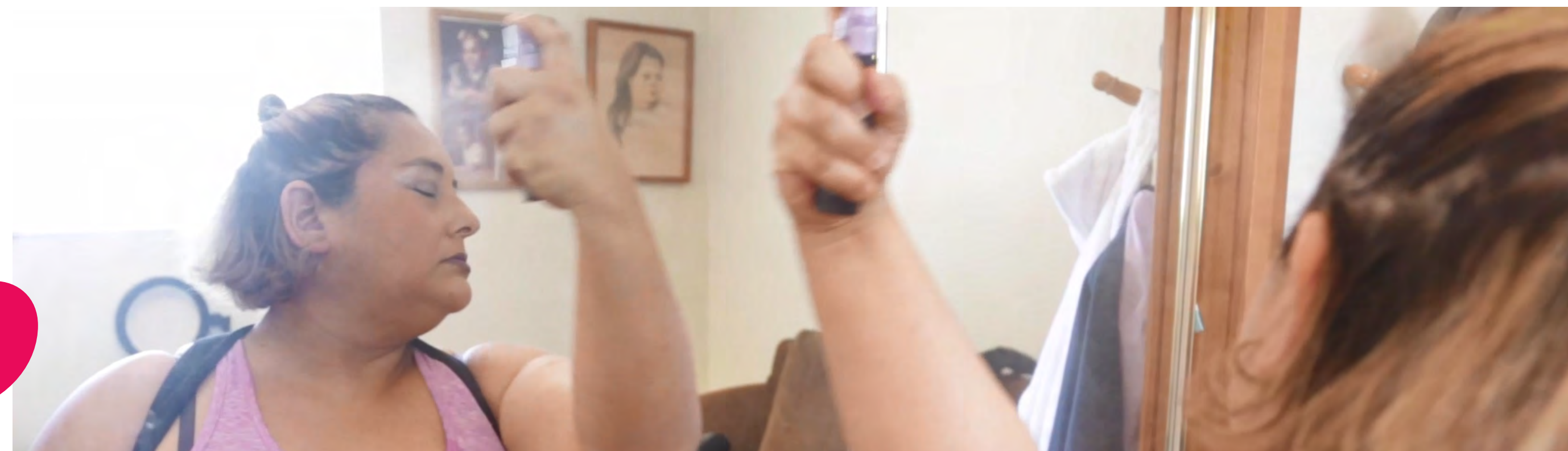
I feel more energized and healthy when I do beauty. As a result I feel more beautiful.



I cannot wait to put some lipstick on. Everyone wants to just be feeling brand new.



It comes from the inside, a place of worthiness.



Forward Bound.

lives have changed and optimism is growing

Hybrid World.

adaptation has become expectation

Beauty Unleashed.

passion, purpose, and purchase are on the rise



Forward Bound.

lives have changed and optimism is growing

- Re-thinking what's important
- Living with optimism
- Buying with purpose



Hybrid World.
adaptation has become expectation

- Inspiration & entertainment are always on
- Lines between physical & digital have blurred
- Stores are where it all comes together



Beauty Unleashed.

passion, purpose, and purchase are on the rise

- Role of beauty is forever changed
- Beauty is wellness
- Engagement never left, but passion for the purchase is back



Brand Vision

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EVOLVING THE BRAND

functional → *emotional* → *purposeful*



We use
the power of beauty
to bring to life
the possibilities
that lie within each of us.



UNLEASHING BEAUTY'S SUPERPOWERS TO MAKE THE WORLD A BETTER PLACE



self-expression



self-care



togetherness



cultural force

from

ALL THINGS

the broadest assortment

BEAUTY

of hair, skin and makeup

ALL IN ONE PLACE

all in one store



from

big shifts

ALL THINGS

the broadest assortment

BEAUTY

of hair, skin and makeup

ALL IN ONE PLACE

all in one store

Products *and* experiences matter.

Beauty is more meaningful than ever.

Beauty is intersecting with culture and wellness.

The 'place' where beauty lives is within each person and each community.



from

ALL THINGS

the broadest assortment

BEAUTY

of hair, skin and makeup

ALL IN ONE PLACE

all in one store



to

ALL THINGS

the full immersive experience

BEAUTY

an expanded view of beauty

ALL IN YOUR WORLD

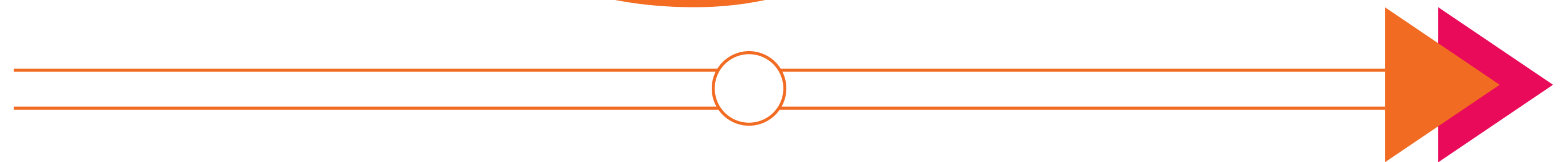
with you wherever you are



ALL THINGS

the full immersive experience

Beauty journey



Research, shop for,
and purchase products

ALL THINGS

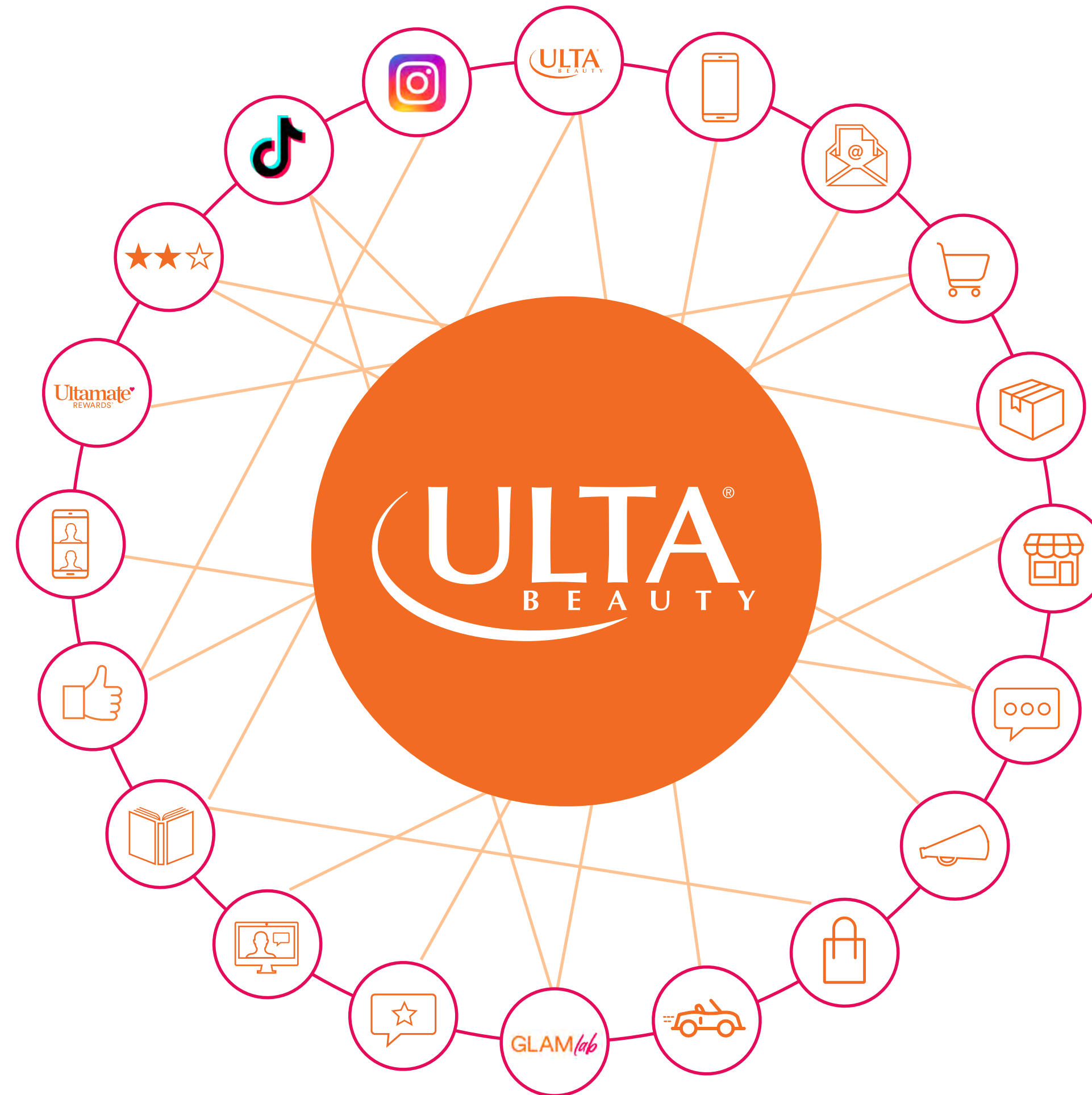
the full immersive experience

from
Beauty journey



Research, shop for,
and purchase products

to Beauty immersion



- Always on.
- Always shopping.
- Immersive.
- Highly engaged.
- Personal.
- Emotional.
- Connection.
- Conversation.
- Entertainment.

BEAUTY

with an expanded view of beauty



breadth

- Expansion of current brands
- New brands
- New segments
- Wellness adjacencies

depth

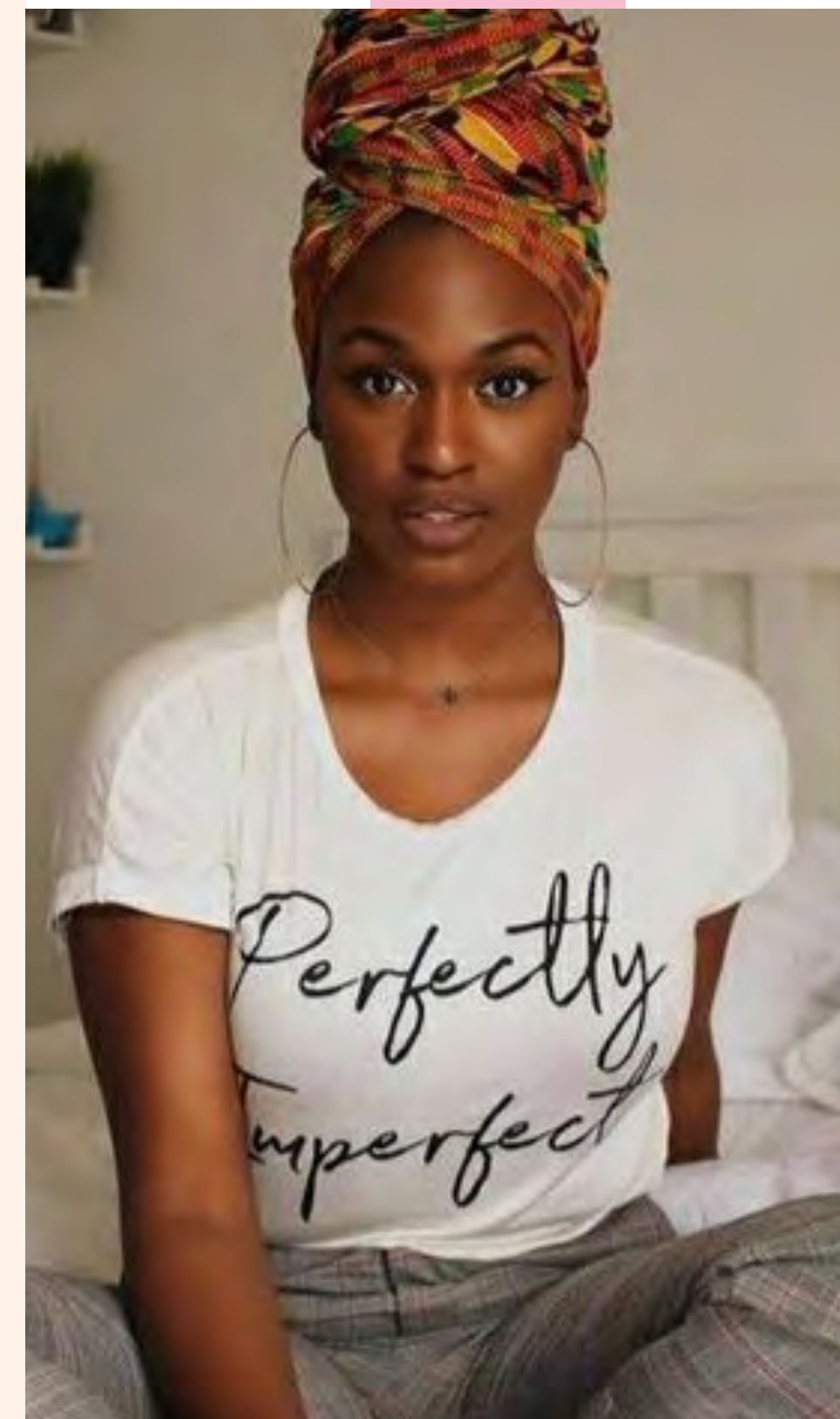
- Relationship
- Advocacy
- Content
- Conversation
- Curation

ALL IN YOUR WORLD

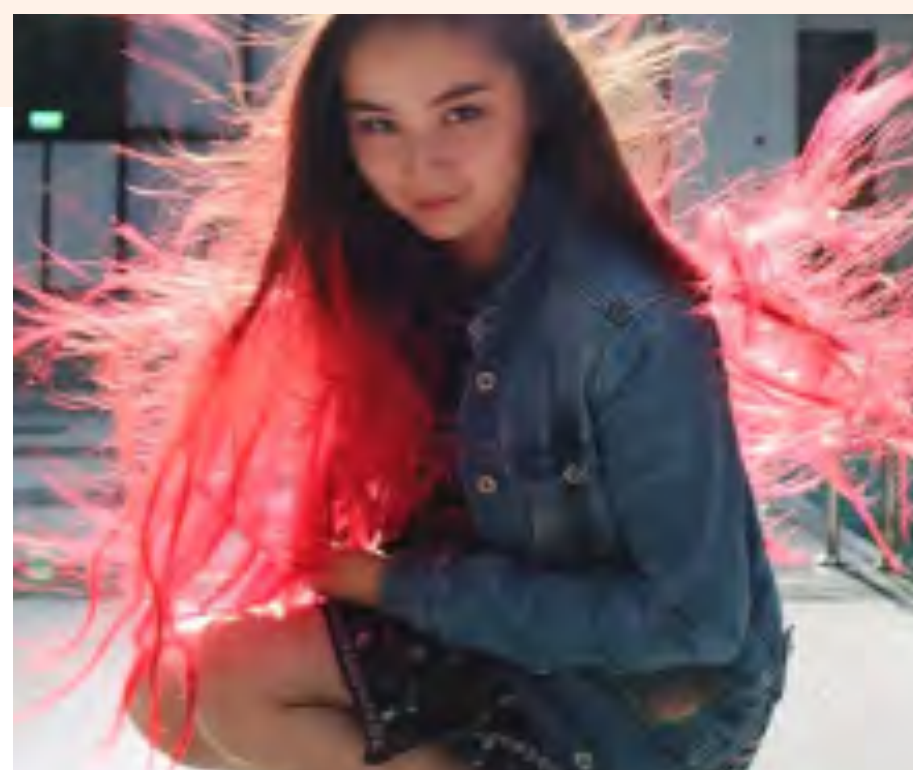
with you wherever you are



- People centric, not Ulta Beauty centric
- Not location or channel centric
- With the central point of entry as the phone in their hand
- The door to the world of beauty and the world of Ulta Beauty



We will be more than a retailer



We will be the

heart

of the beauty community

Owning the immersive world of beauty.
The amazing world of products
And the amazing world of
Emotion, conversation, connection.

Expanding what beauty means.
And engaging beauty lovers in all new ways.

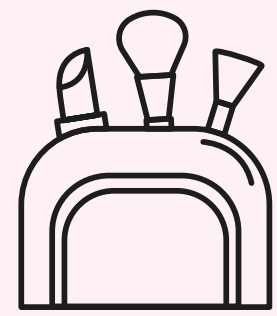
Truly unlocking beauty's superpowers of
Self-care, self-expression, togetherness.
And shaping the world as a culture force for good.



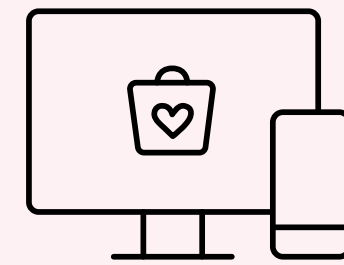
ALL things beauty
All in **YOUR** world
At the **HEART** of the beauty community
The possibilities are **BEAUTIFUL**™

Our strategic intent: Expand market leadership and drive profitable growth

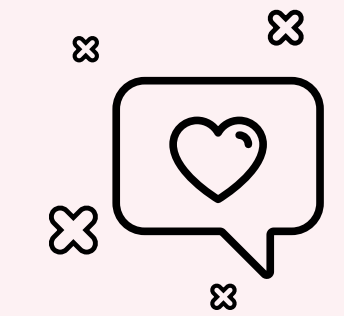
Ulta Beauty strategic framework



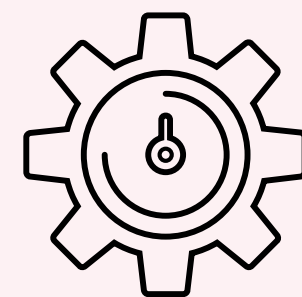
Drive breakthrough and disruptive growth through an expanded definition of **ALL THINGS BEAUTY**



Evolve the omnichannel experience through connected physical and digital ecosystems
ALL IN YOUR WORLD



Expand and deepen our presence across the beauty journey as the **HEART OF THE BEAUTY COMMUNITY**



Drive **OPERATIONAL EXCELLENCE AND OPTIMIZATION**



Protect and cultivate our **WORLD-CLASS CULTURE AND TALENT**



Expand our **ENVIRONMENTAL AND SOCIAL IMPACT**

Financial targets

NET SALES GROWTH (CAGR)*

5%-7%

OPERATING PROFIT (AS A % OF SALES)

13%-14%

DILUTED EARNINGS PER SHARE (CAGR)*

low double-digit growth

*Base year 2019
Note: Fiscal year 2023 is a 53-week year. Tax rate assumed at 24-25%.



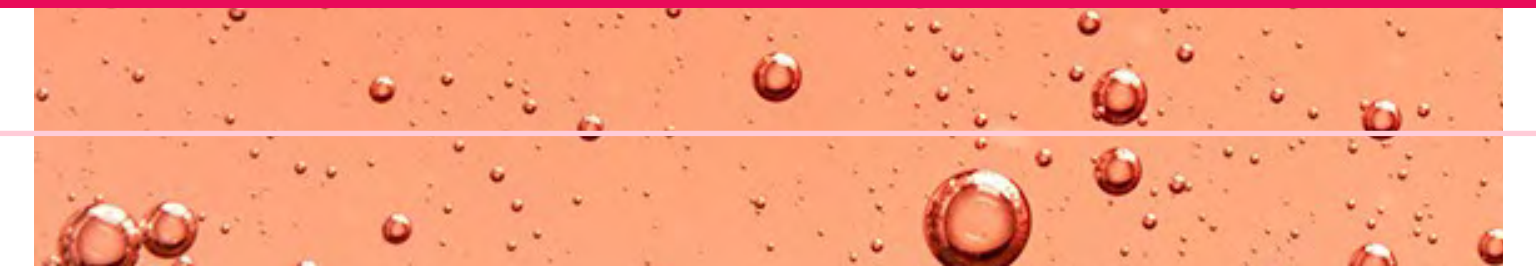
Analyst Day 2021



Monica Arnaudo

chief merchandising officer

pronouns: she/her/hers





All Things Beauty

Merchandising strategy

Analyst Day 2021



2020

total US beauty and personal care market

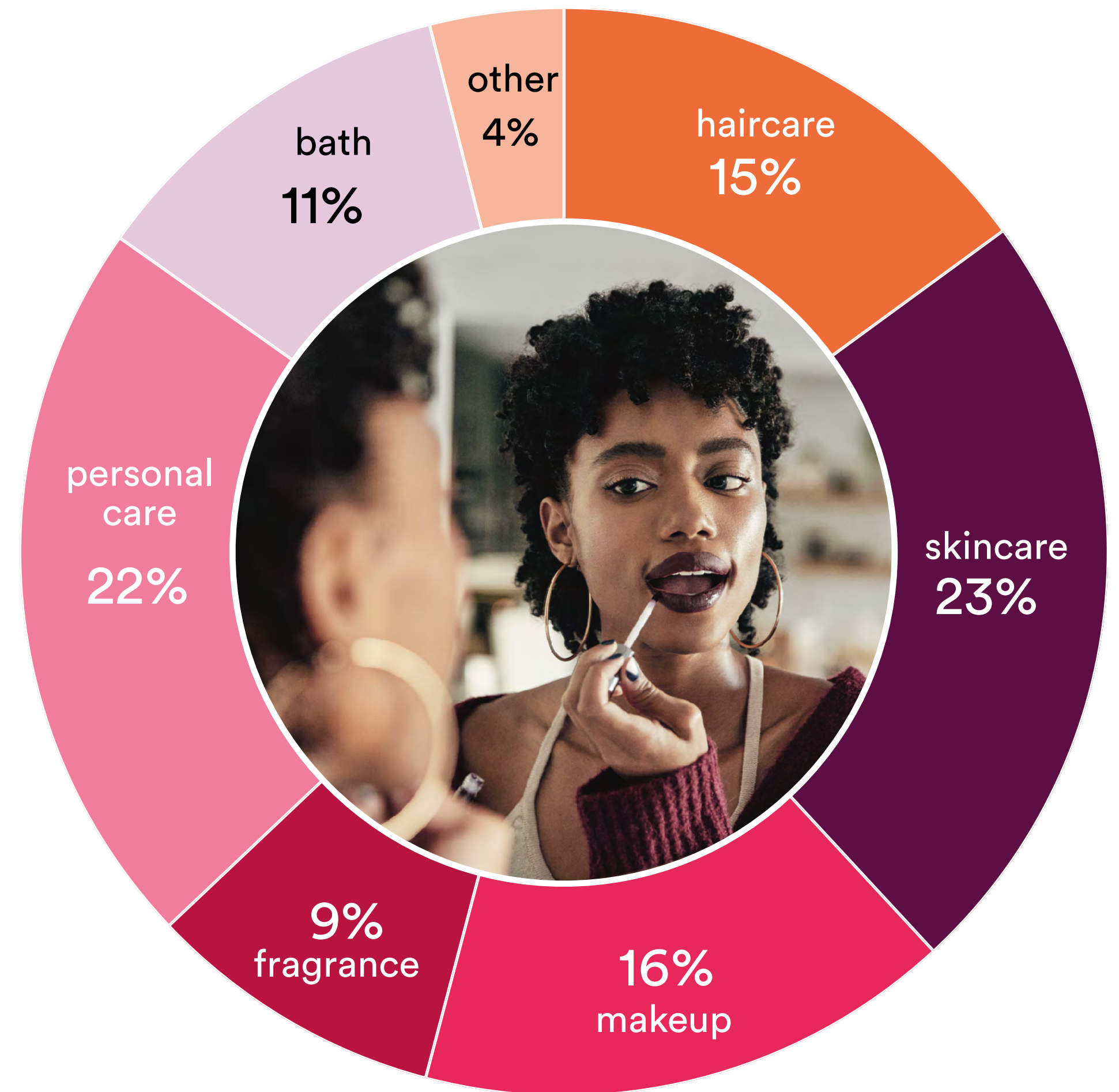
Ulta Beauty has

~7%

share of the

\$91B

beauty products market



Source: Euromonitor International Beauty and Personal Care in the US as of 2021



Analyst Day 2021

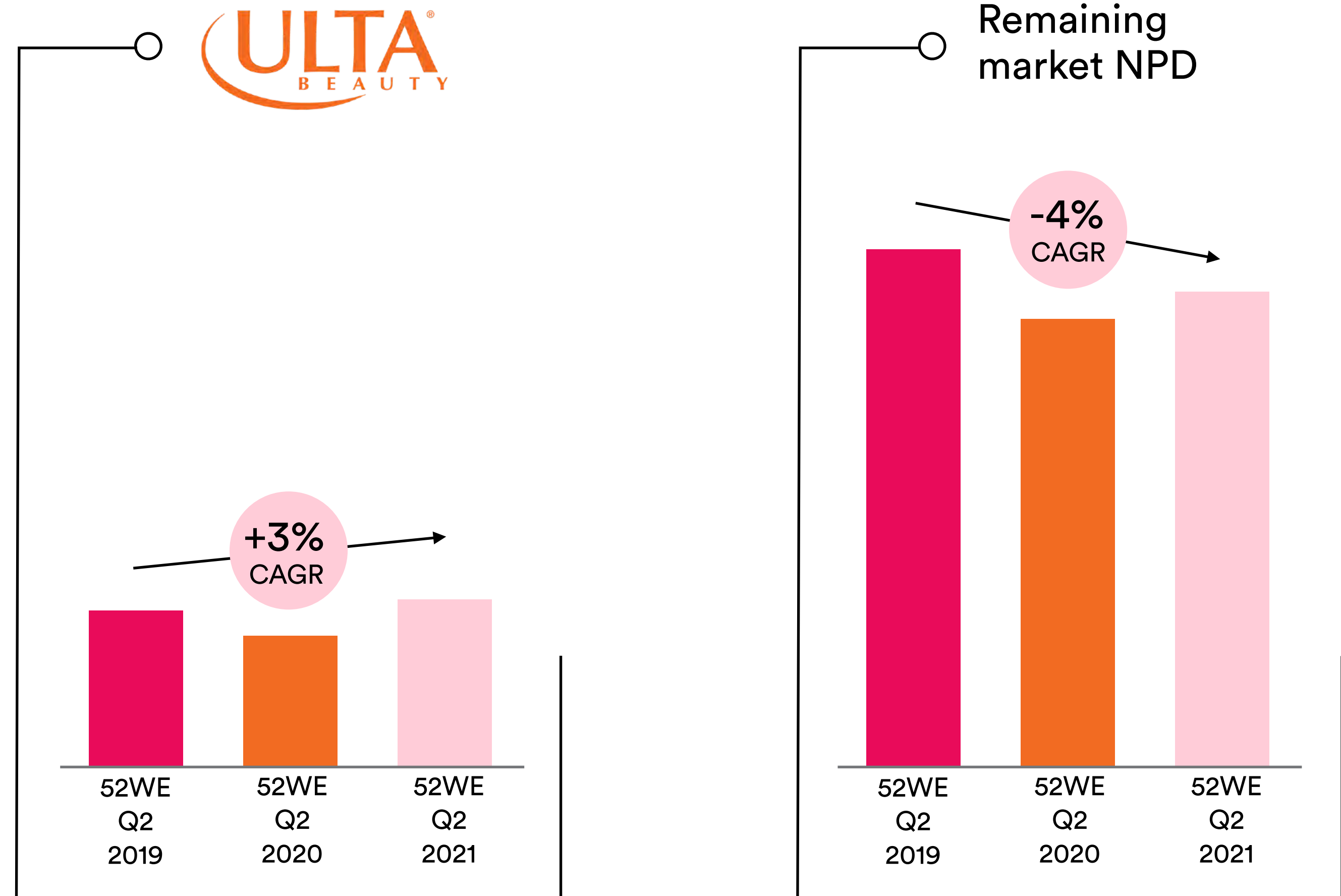


driving

growth for the
prestige beauty
market

+2.7
points of market share gain

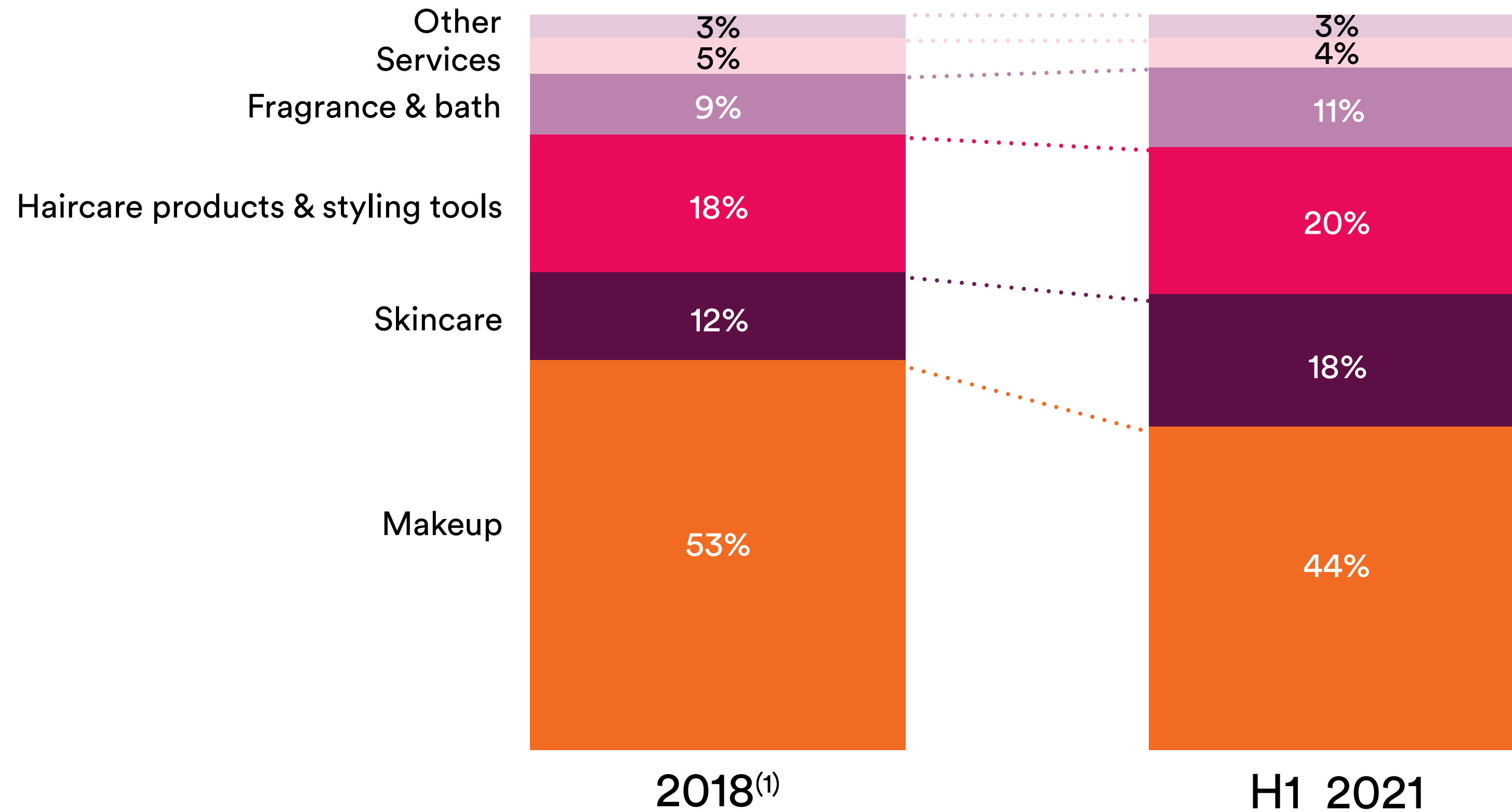
NPD Prestige Beauty Industry Growth compound annual growth rate



Source – The NPD Group / US Prestige Beauty Total Measured Market / Includes products with purchase / Based on dollar sales / 52 weeks ending July 31, 2021 vs. same weeks in 2019 & 2020 (Ulta Fiscal Q2)

Ulta Beauty Sales by Category

percentage of net sales

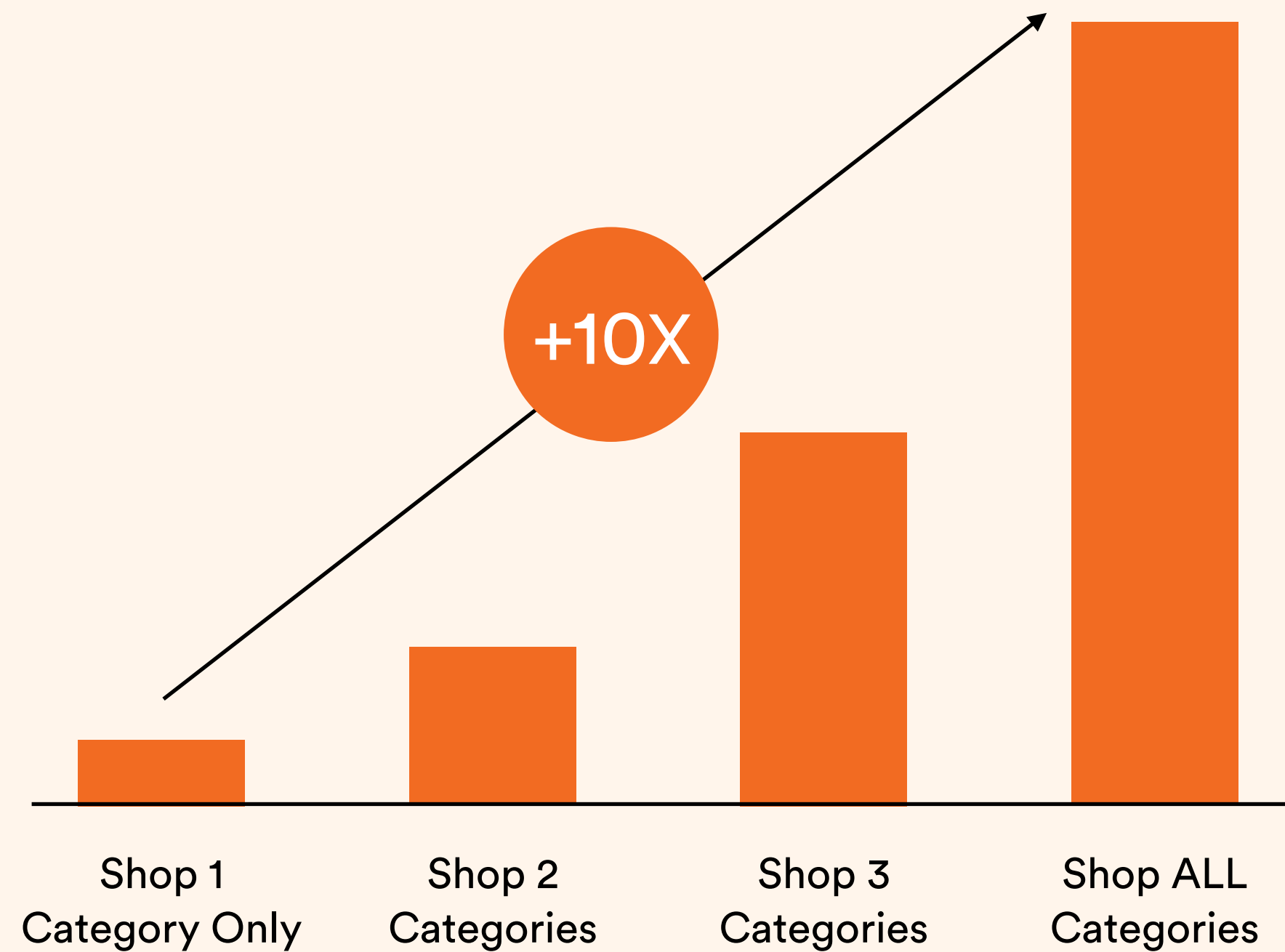


A more
BALANCED
portfolio

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

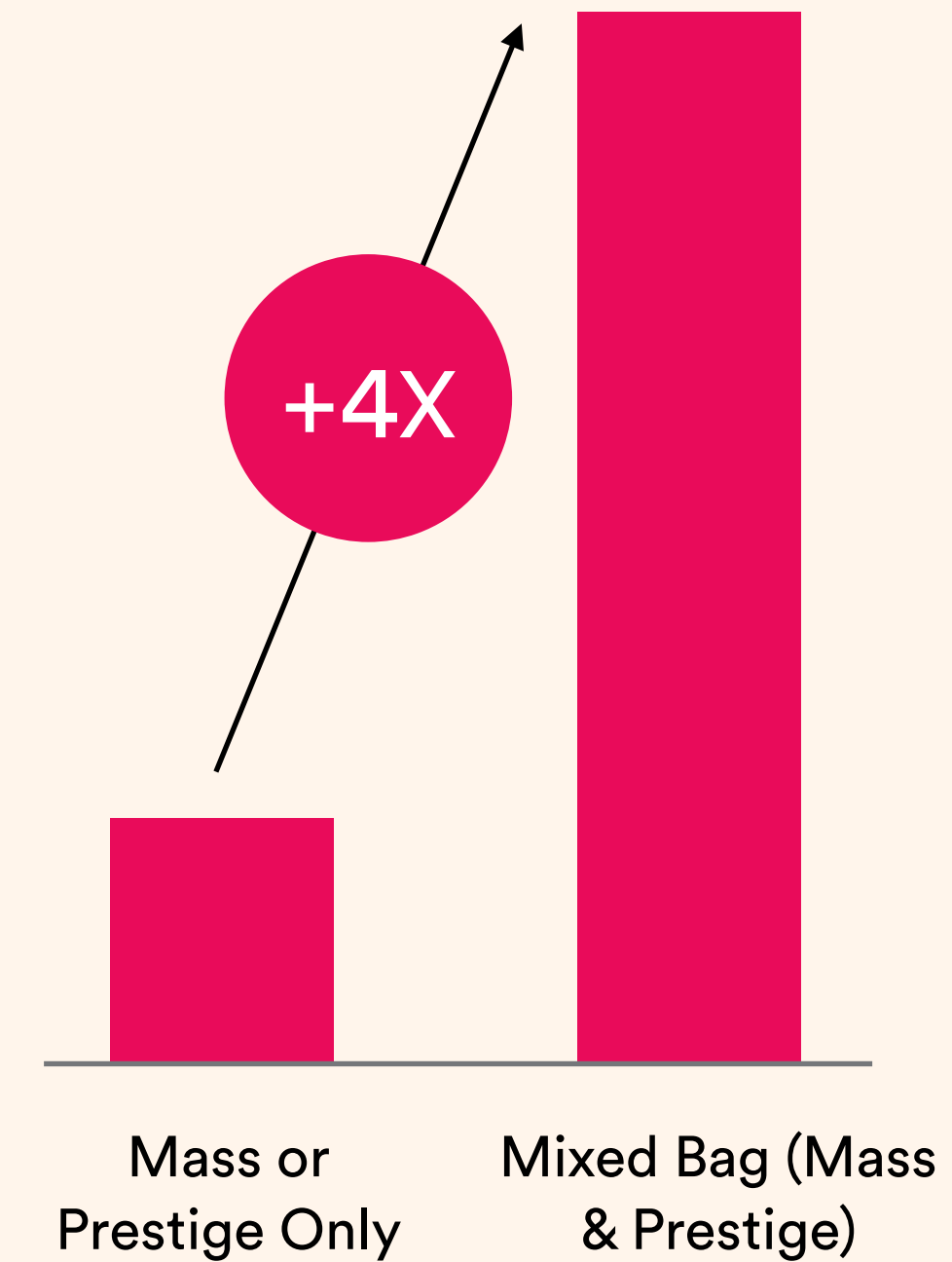
Basket expansion opportunity

Ulta Beauty Shopper Basket Size Across Categories*
average spend per transaction



*Major Categories: Makeup, Skincare, Haircare and Fragrance/Bath

Ulta Beauty Shopper Basket Size Across Price Points
average spend per transaction



Source: Ulta Beauty internal POS 52 WE Q2 2021

Merchandising **STRATEGIC PILLARS**

- **MERCHANDISING VISION:** To engage and continuously delight Beauty Enthusiasts with a curated and differentiated assortment focused on inclusivity and leading trends





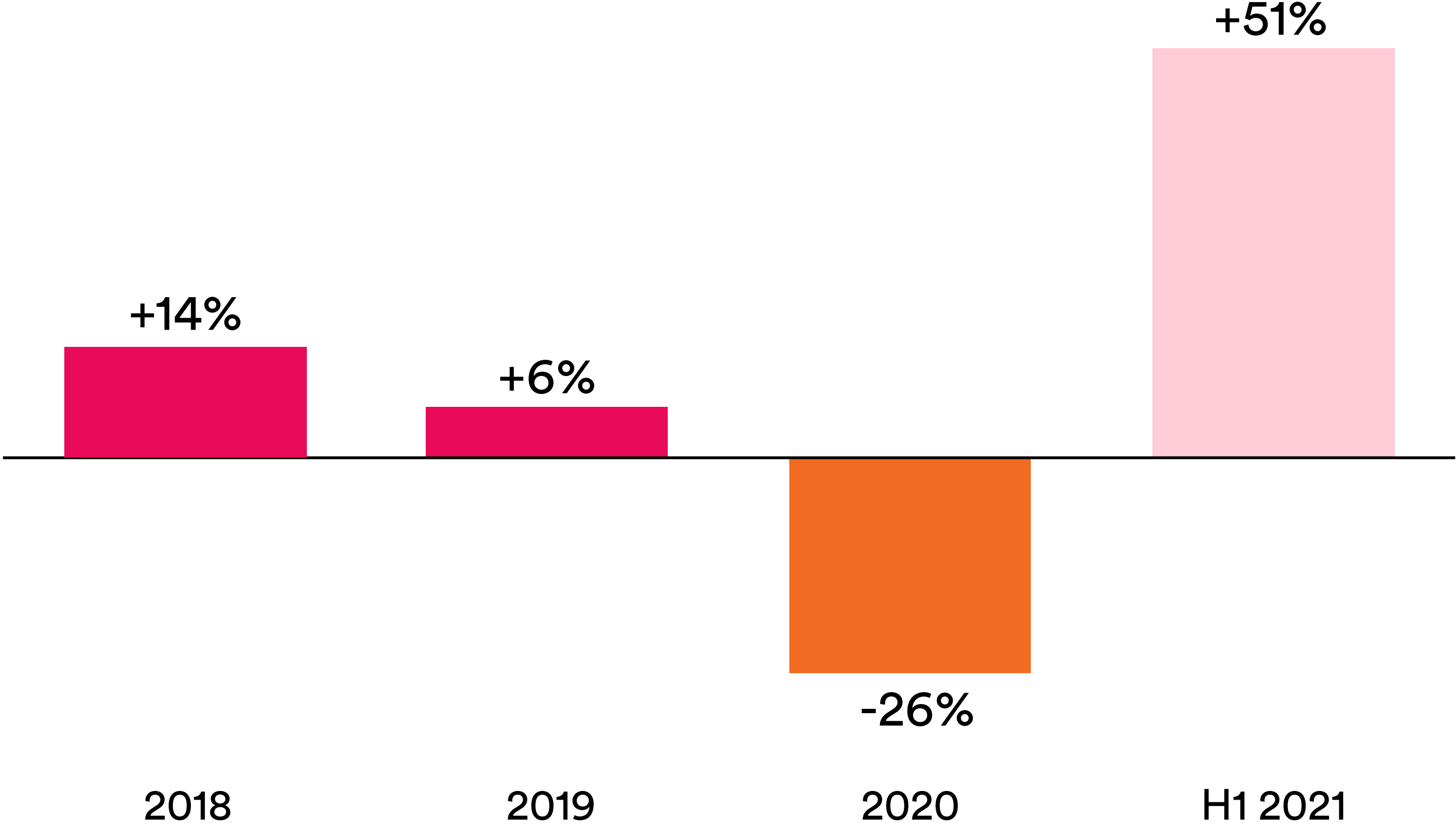
Maximize Growth of Core Categories

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MAKEUP landscape overview

Ulta Beauty Makeup Net Sales Growth by Year⁽¹⁾



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

New Brand Launches

Select brands, not exhaustive



HOURGLASS
CRUELTY FREE LUXURY BEAUTY



UNDONE
BEAUTY

BOBBI BROWN

JACLYN

LAURA MERCIER
PARIS | NEW YORK

Bring the Salon Home
KISS

florence
by mills

WELL PEOPLE

GLAMNETIC



Lilly LASHES

mented

HOUSE of LASHES

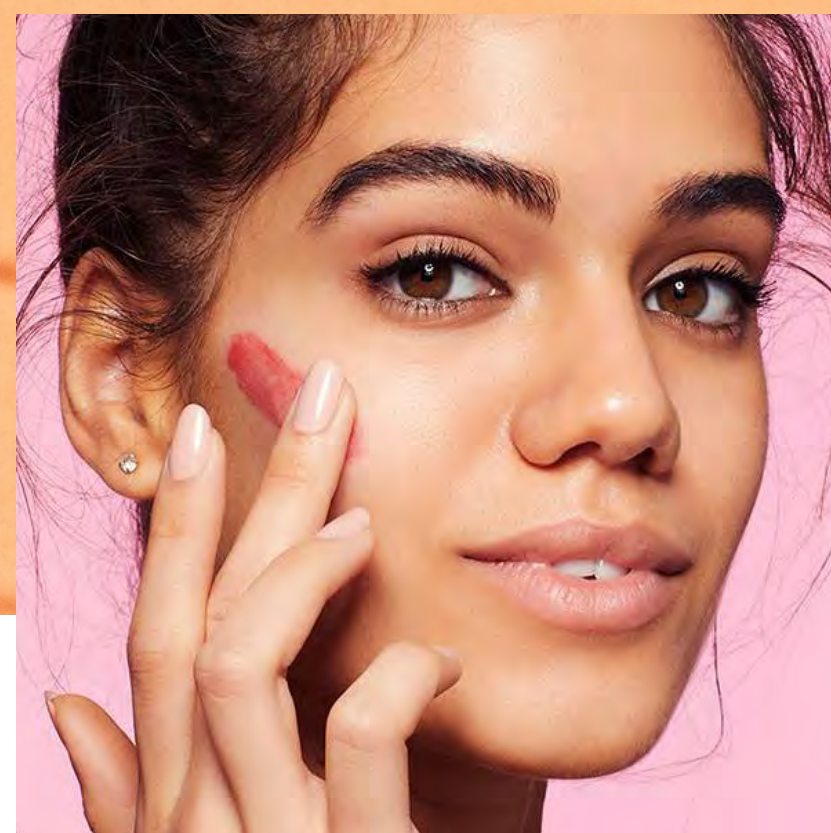
MAKEUP category trends

Consumer Sentiments

- Positive outlook
- Resurgence of usage
- Self-expression
- Renewed engagement



skinification
of makeup



new
product forms



inclusivity
and diversity



evolved looks
the New Natural and
Expressive Revival

makeup

Return to sustainable growth leveraging the distinctiveness of our assortment and fueling discovery and trial

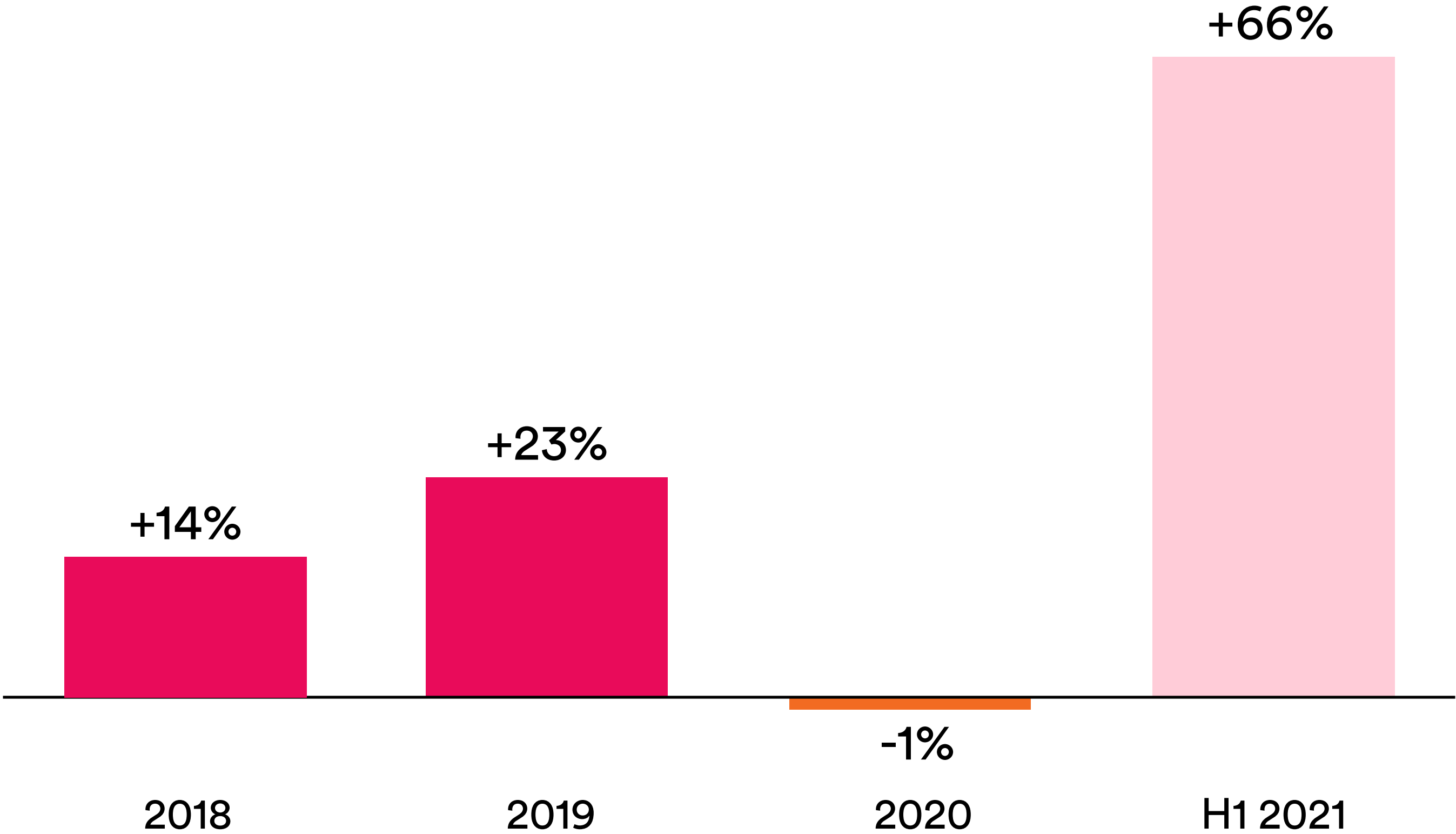


Category Priorities

- Maximize core assortment and space
- Drive assortment evolution and newness
- Win with key events and pulse category strategically
- Grow member penetration and recover frequency

SKINCARE landscape overview

Ulta Beauty Skincare Net Sales Growth by Year⁽¹⁾



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

New Brand Launches

Select brands, not exhaustive



SKINCARE

category trends

Consumer Sentiments

- Highest engagement
- Lasting routines
- Generational skincare
- TikTok influencers



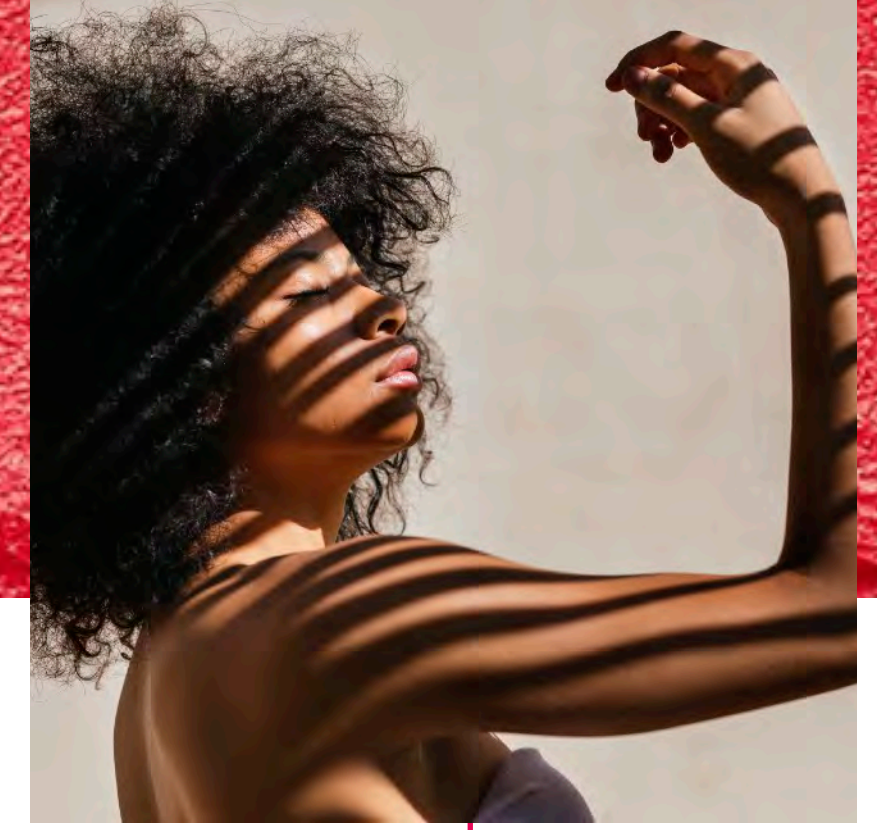
hero ingredients
reign supreme



mask-acne



single ingredient
cocktailing grows in tandem with all-in-one



protection
of skin's biome

skincare

Break through as the leader in skincare with a broad and inclusive assortment that guides our guests in their journey to discover their skin potential

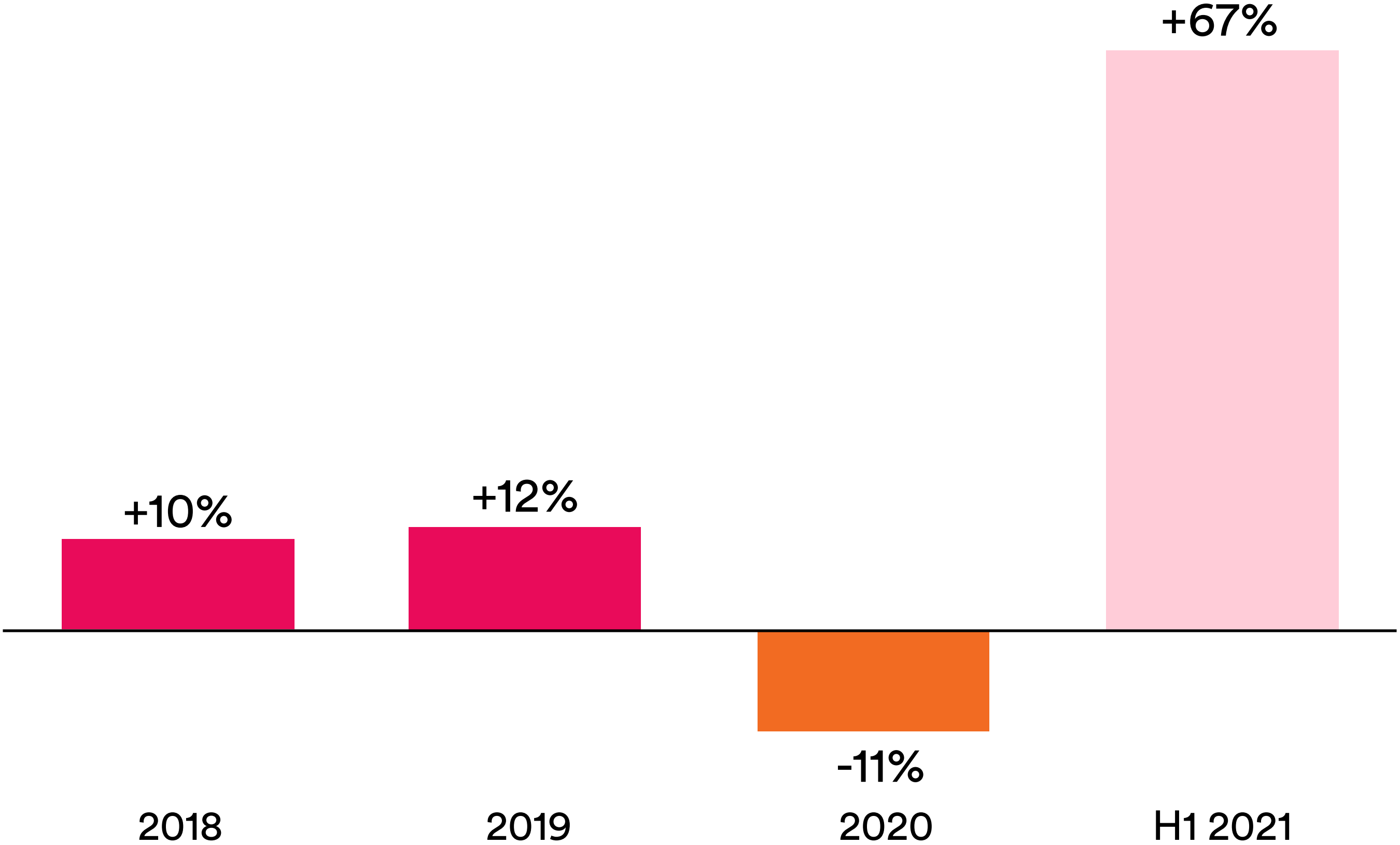


Category Priorities

- Maximize assortment through high-growth segments and key brand launches
- Drive credibility and authority in skincare
- Increase exposure online and in stores
- Leverage skin services as key point of differentiation

HAIRCARE landscape overview

Ulta Beauty Haircare Products & Styling Tools
Net Sales Growth by Year⁽¹⁾



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

New Brand Launches

Select brands, not exhaustive



KRISTIN ESS
HAIR

IGK

OUAI

melanin
haircare™
SIMPLE • NATURAL • HAIRCARE



MONDAY

tgin
Thank God It's NATURAL®



BONDI
BOOST

KREYÒL ESSENCE®
NATURAL + ETHICAL
BEAUTY PRODUCTS FROM HAITI

HAIRCARE

category trends

Consumer Sentiments

- Embracing natural hair/texture
- Haircare as self-care
- Building confidence
- Inspired by innovation



skinification
of hair



bond-building
products



inclusivity
and diversity



vegan, clean,
and cruelty free

haircare



Reinforce Ulta Beauty as the destination for haircare with an inclusive assortment, inspiring and educational content, and stylist expertise

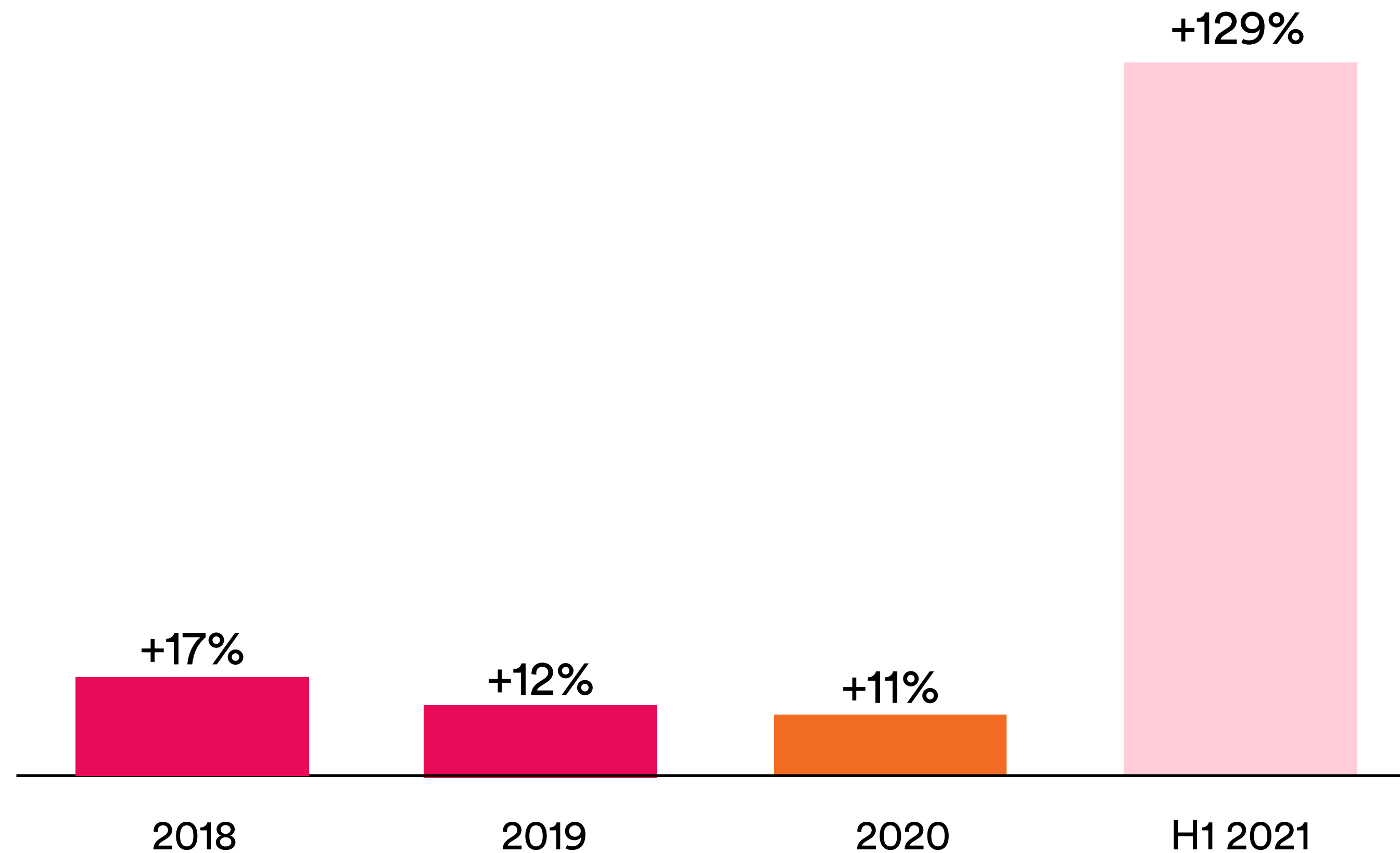
Category Priorities

- Grow key segments, deliver meaningful innovation, and launch high-growth brands
- Drive member acquisition by targeting guests who don't currently shop the category
- Leverage assortment and salon expertise to focus on education
- Evolve tentpole events and amplify storytelling

FRAGRANCE & BATH

landscape overview

Ulta Beauty Fragrance & Bath Net Sales Growth by Year⁽¹⁾



New Brand Launches

Select brands, not exhaustive

TRULY

JLO
JENNIFER LOPEZ

Ariana Grande
FRAGRANCES

LOVE
WELLNESS

TOM FORD

M O O N

Megababe

TIFFANY & Co.

h HOME|B|O|D|Y

THE GOOD PATCH™

BLUME

V
VALENTINO

wakse™
made by two hairy guys.

NEST
NEW YORK

goli
NUTRITION

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

fragrance & bath

Lead category growth through a curated assortment focused on luxury, exclusive, and celebrity brands and a holistic approach to wellness



Category Outlook

- Highly engaged in category [for self & home]
- Accessible luxury
- Growth remains high

Category Strategies

- Strengthen high-growth segments: luxury, designer, and celebrity
- Drive share gains and member acquisition during key Holiday moments
- Integrate bath & body into head-to-toe skincare solutions and extend within wellness pillar



Cross-category Strategic Platforms

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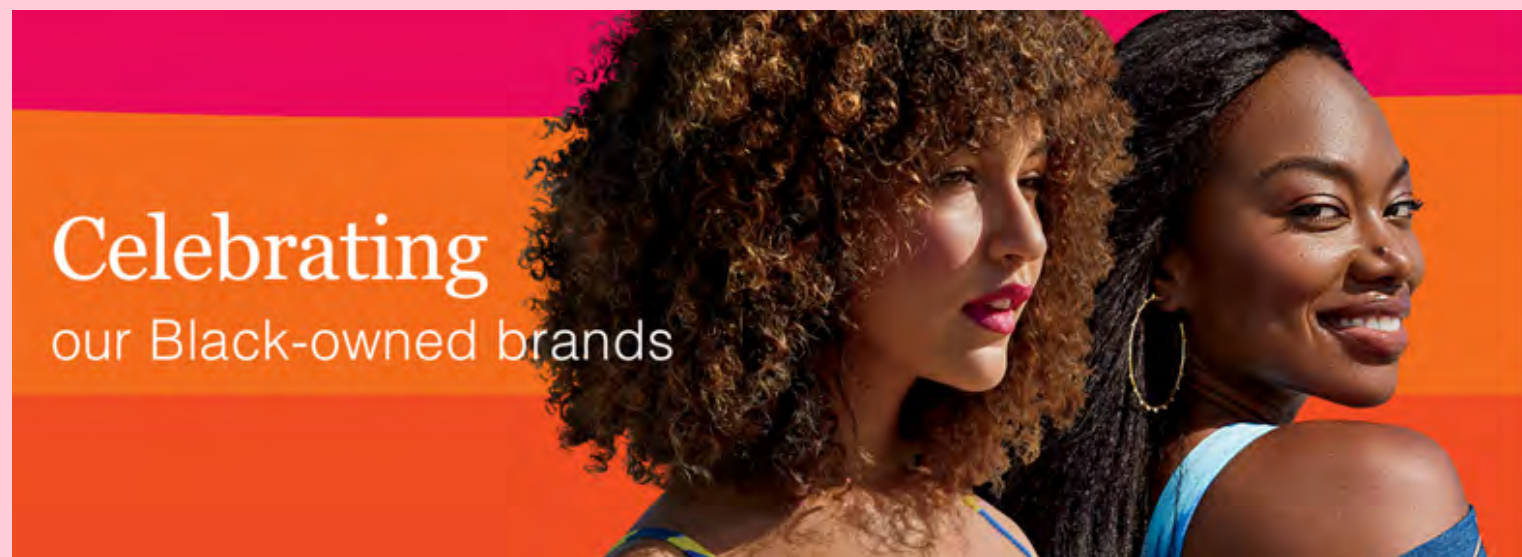
Strategic platforms

will fuel growth across categories

○ Conscious Beauty



○ Black-owned/BIPOC*



○ Wellness

— THE —
WELLNESS
SHOP

Self-care for the mind, body and spirit.

*Black Indigenous People of Color



We believe in making a positive impact on you and leaving a positive legacy for your world. That's why we're giving you more choices and guidance, and celebrating brands that share your values.

Comes to life across five pillars



CLEAN
INGREDIENTS



CRUELTY
FREE



VEGAN



SUSTAINABLE
PACKAGING



POSITIVE
IMPACT

conscious beauty

scale platform & expand brands



enhance navigation & guidance

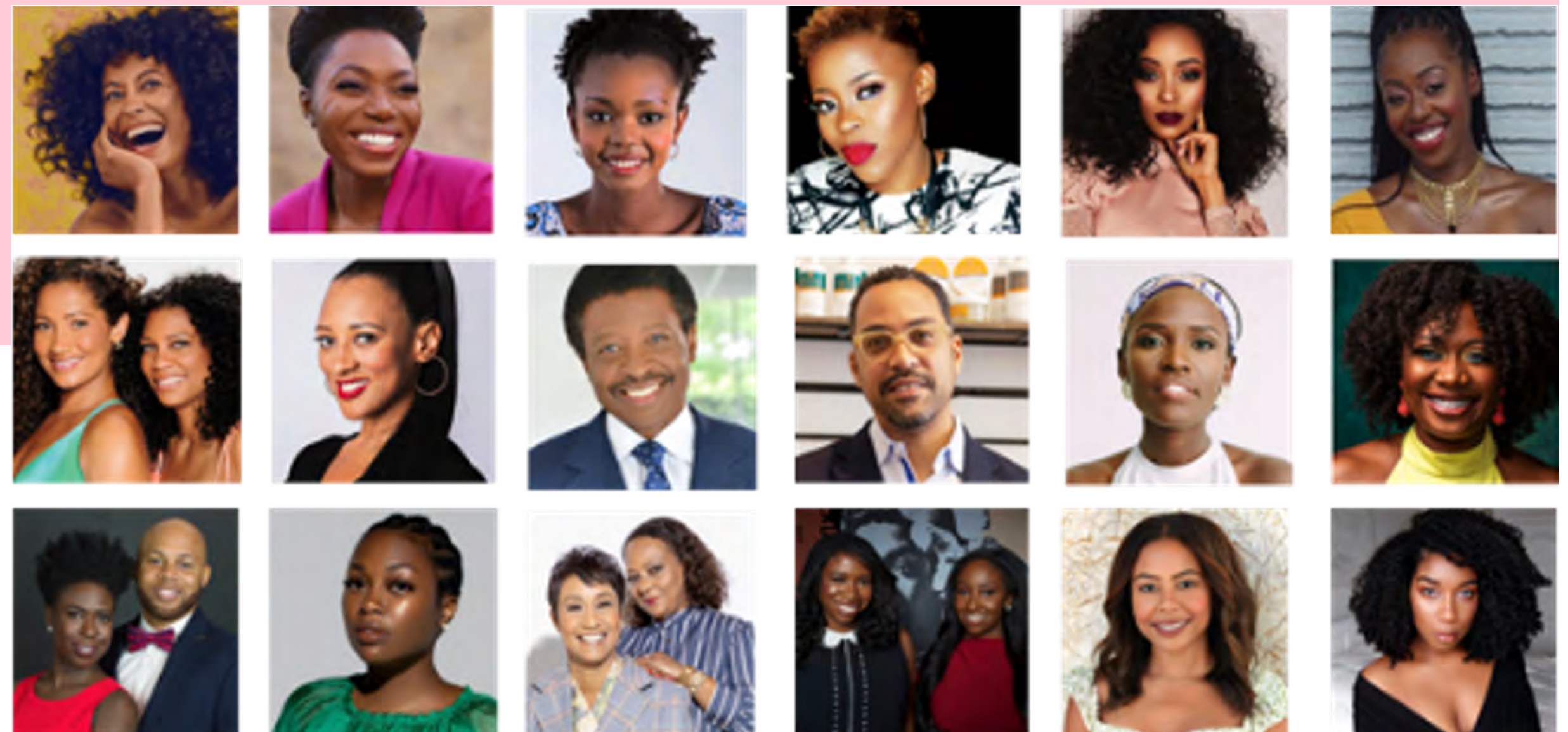


evolve platform & impact



Black-owned / BIPOC+

Celebrating
our Black-owned brands



Black-owned/BIPOC

Accelerating our commitment

doubling our brands

**melanin
haircare**

**Juvia's
PLACE**

PATTERN™

**Camille Rose
NATURALS**

mented

beauty bakerie.

Briogeo

**BLACK GIRL
SUNSCREEN**

fifteen
percent pledge



scale
platform



— THE —
**WELLNESS
SHOP**

Self-care for the mind, body and spirit.

We know there is a growing interest in wellness and self-care products, and we are excited to expand our offerings through product curation and solution-oriented storytelling.

○ 5 segments

everyday care

elevate your daily essentials



supplements & ingestibles

start your beauty within



relax & renew

keep calm and stress less



down there care

stay fresh, comfortable, and confident



spa at home

discover next level tools and accessories

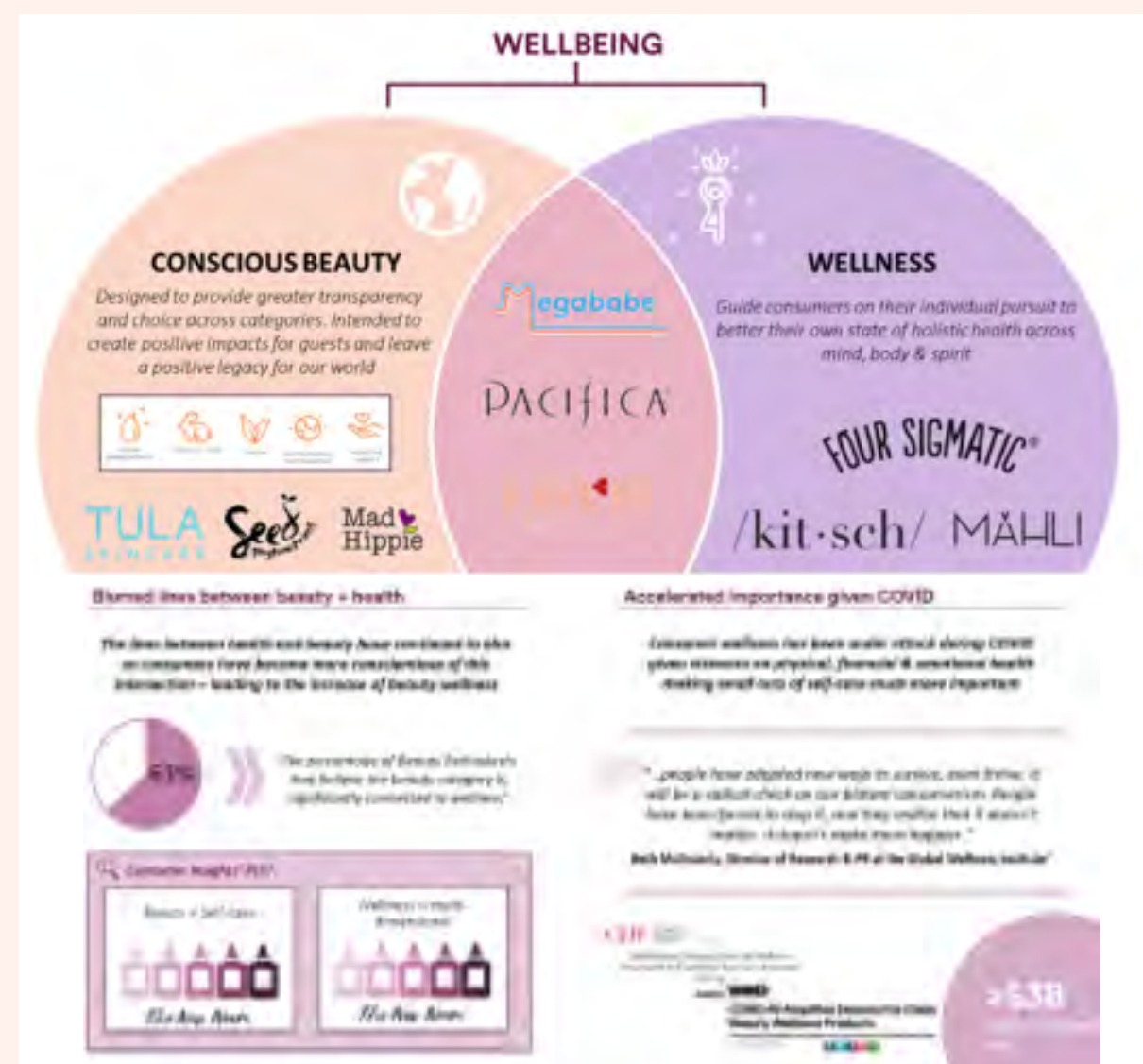


wellness

launch cross-category platform



increase learnings + iterations



operationalize platform





Differentiate through exclusive brands, products
and our private label business

Analyst Day 2021



EXCLUSIVE PRODUCTS

represent more than 13% of sales*

Ulta Beauty First 'Early Access' Exclusives



Brand Exclusives

MORPHE

PEACH & LILY

COLOURPOP

Juvia's
PLACE

Permanent/ Co-Created Exclusives



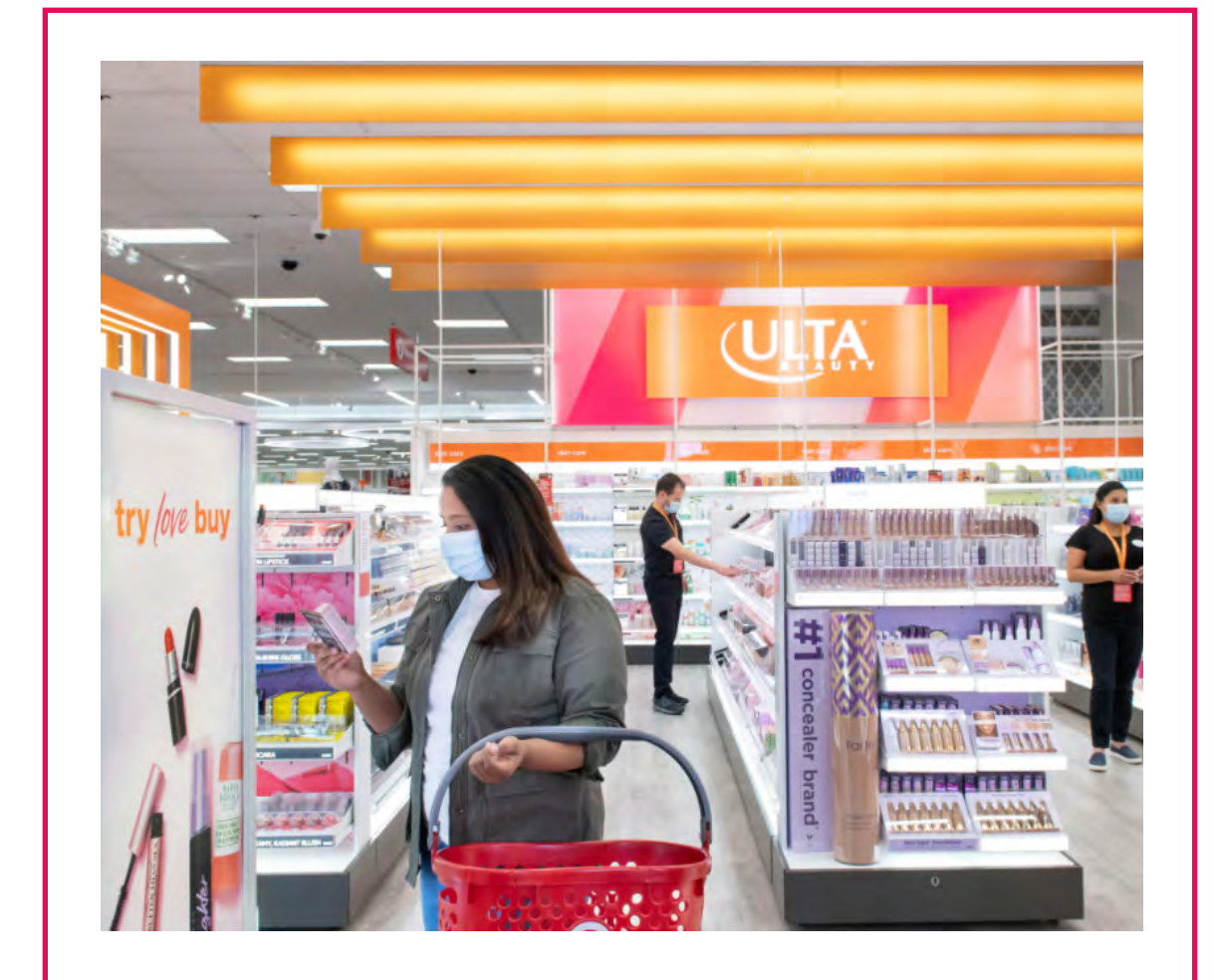
ULTAbeauty® COLLECTION



*As reported as of year-end 2020.

The *heartbeat* of our exclusive offering

Beauty simplified. Inspiration endless.



Product Assortment

- Core
- Collaborations
- Gifting

Positioning

- High quality products across all key categories at accessible prices
- Beauty Enthusiasts & Gen Z
- Conscious Beauty

Placement

- Retail
- Wholesale (New)



Drive Profitability and Productivity

Analyst Day 2021



Drive profitability and productivity

Category
Management
(Productivity & Profitability)

Inventory
Optimization

Promo
Optimization



JUMBO
love
June 27 - July 17
Stock up. Save. Amaze your hair.

**LOWEST PRICES
OF THE SEASON**
on jumbo shampoo & conditioner faves

\$29.99^{ea}
JUMBOS

Choose from select: Redken and
Paul Mitchell Tea Tree 1 reg \$35.00-\$2.50



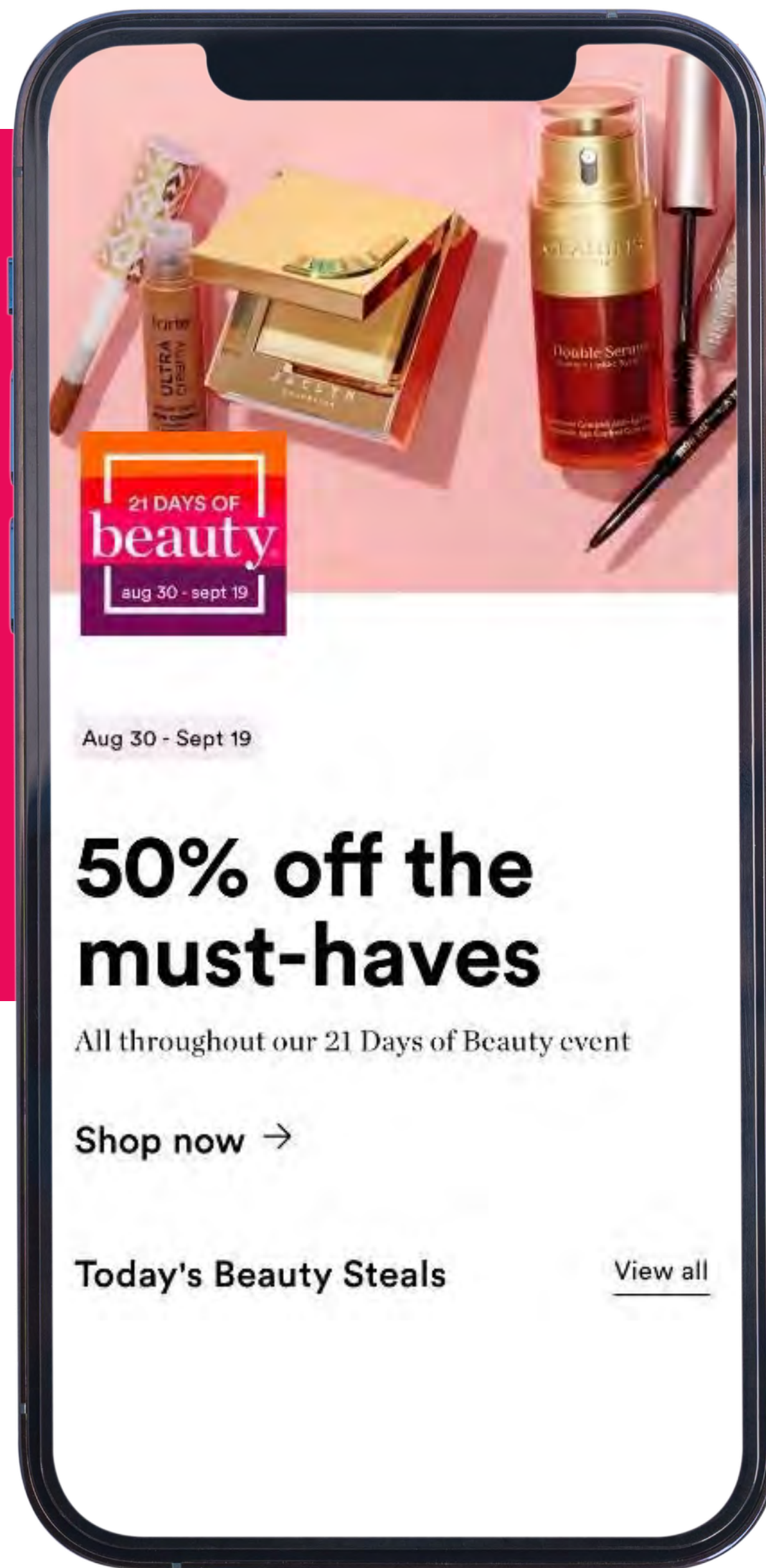
EXPLORE MORE: Online at [ulta.com/jumboevent](https://www.ulta.com/jumboevent)
DON'T MISS OUT: buy online & pick up in store

**15% OFF
JUMBOS**

Choose from select: Pureology, PATTERN,
Cetaphil and Ouidad 1 reg \$20-\$30



GIFT CARDS in store or at [ulta.com](https://www.ulta.com) | 3



Optimizing promotions to drive profitability

- Key events
- Categories & segments
- Brands
- Strategic, targeted offers

KEY *takeaways*

- We are dedicated to engaging and continuously delighting beauty enthusiasts with a **current and differentiated assortment** focused on inclusivity and leading trends
- We will maximize growth from our core categories while driving our key cross-category strategic platforms **Conscious Beauty, BIPOC and Wellness**
- We will differentiate through exclusive brands, products and our private label business
- We will continue to **drive profitability and productivity improvements** through assortment, inventory, and promotional optimization



Kecia Steelman

chief operating officer

pronouns: she/her/hers

Prama Bhatt

chief digital officer

pronouns: she/her/hers

Analyst Day 2021





All in Your World

Omnichannel strategy

Analyst Day 2021



Blurring
PHYSICAL
and
DIGITAL

*I use digital tools when shopping
and browsing at home.
I like being able to see swatches
and to read reviews and see how
other people are liking the
products I am interested in.*

AVERY



Our omnichannel ecosystem

Ulta Beauty stores

Create distinctive, **tangible, irresistible experiences** that keep guests coming back

Drive discovery and **human connection** through services and passionate associates as the physical epicenter of beauty

Ulta Beauty @ Target

Supercharge guest acquisition by introducing Target guests to the Ulta Beauty assortment and experience



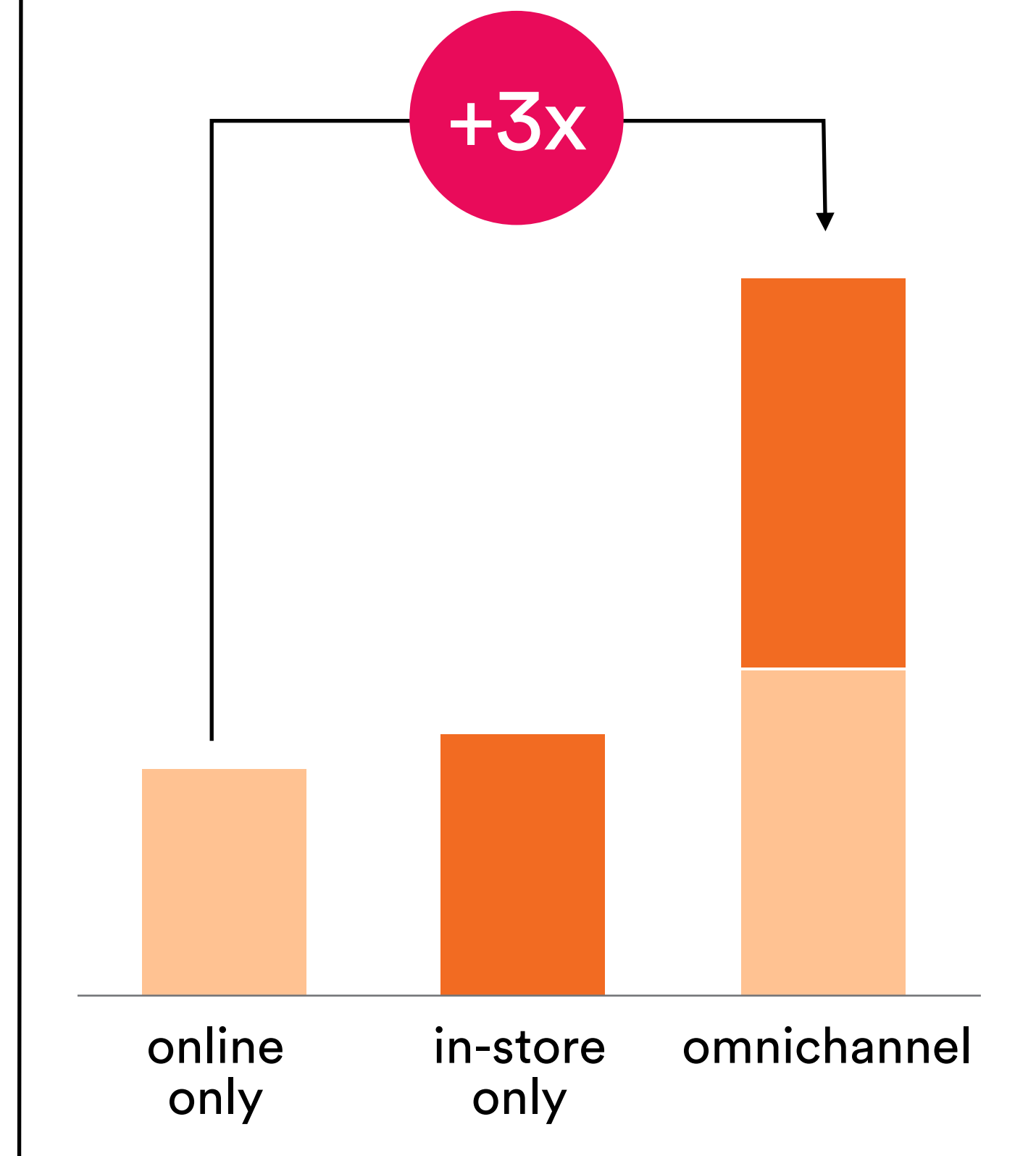
Digital channels

Enable connection and always-on shopping and consultation

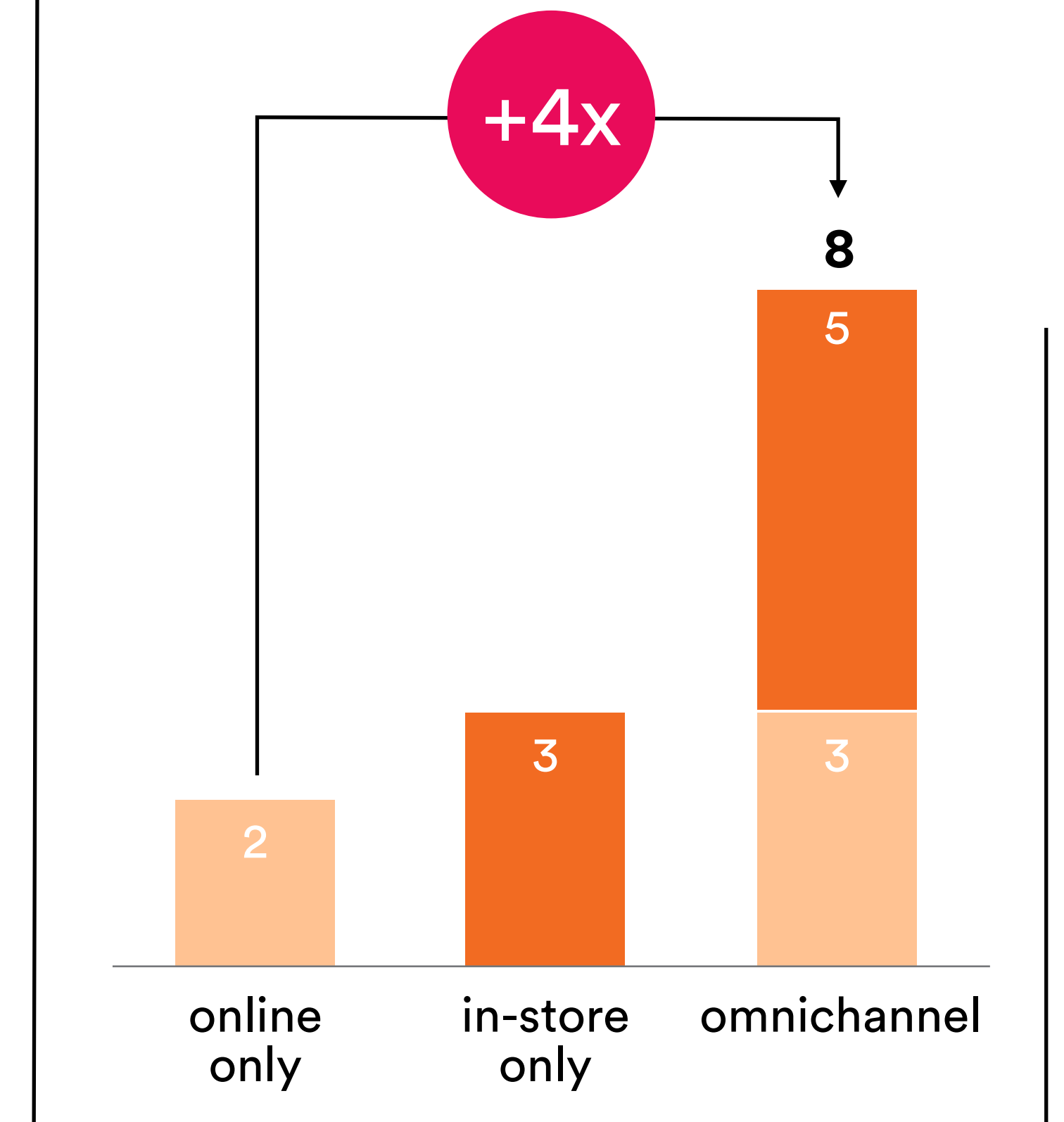
Deliver **personal, anticipatory, immersive, fun, and convenient** experiences

Omnichannel
guests are
our most
VALUABLE

○ Spend per member⁽¹⁾



○ Frequency (purchases)⁽¹⁾



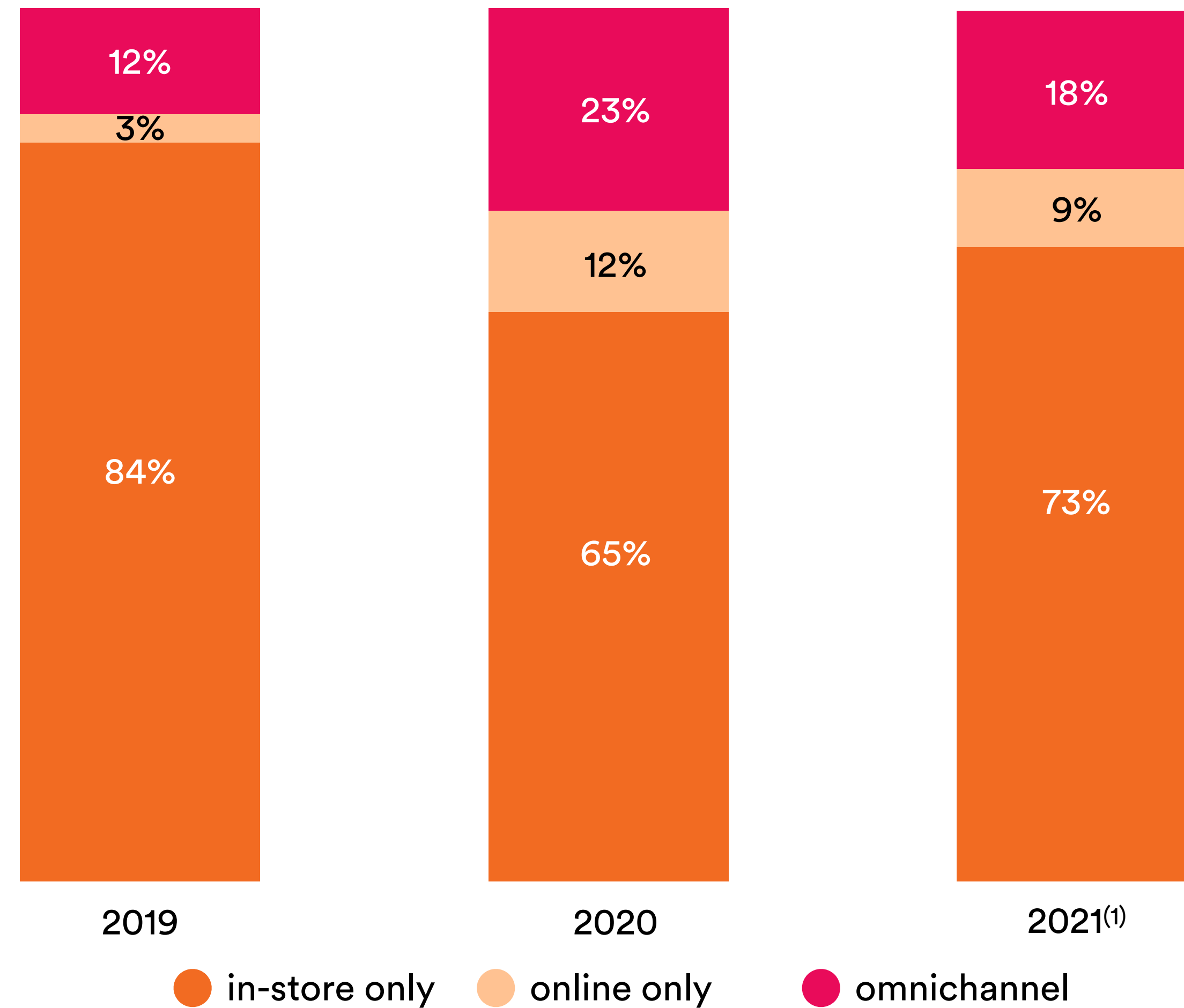
● in-store only ● online only

⁽¹⁾Member data for the twelve months ending July 31, 2021

Our omnichannel Members are **GROWING**

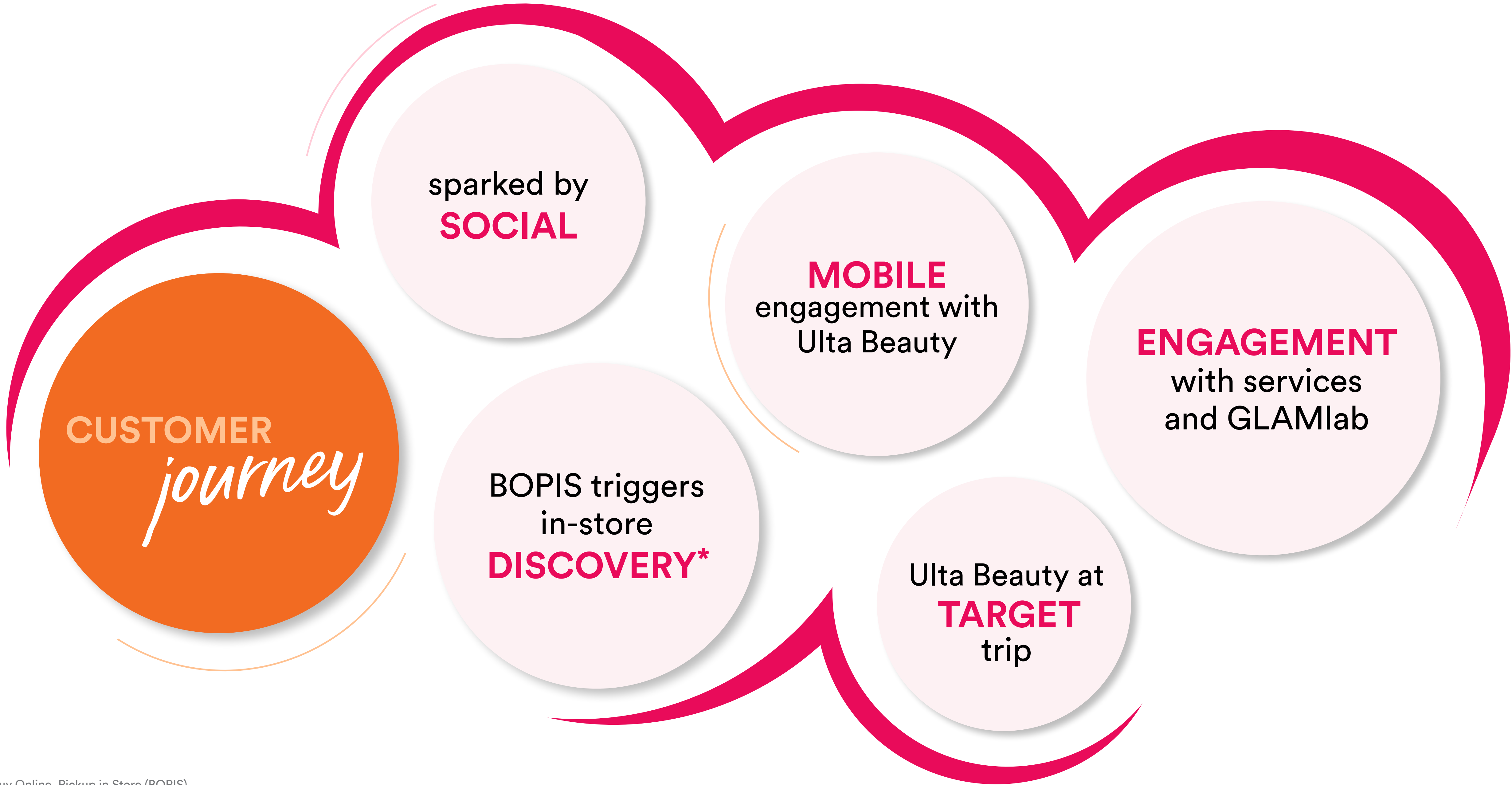


members by channel



⁽¹⁾12 month rolling data through July 31, 2021





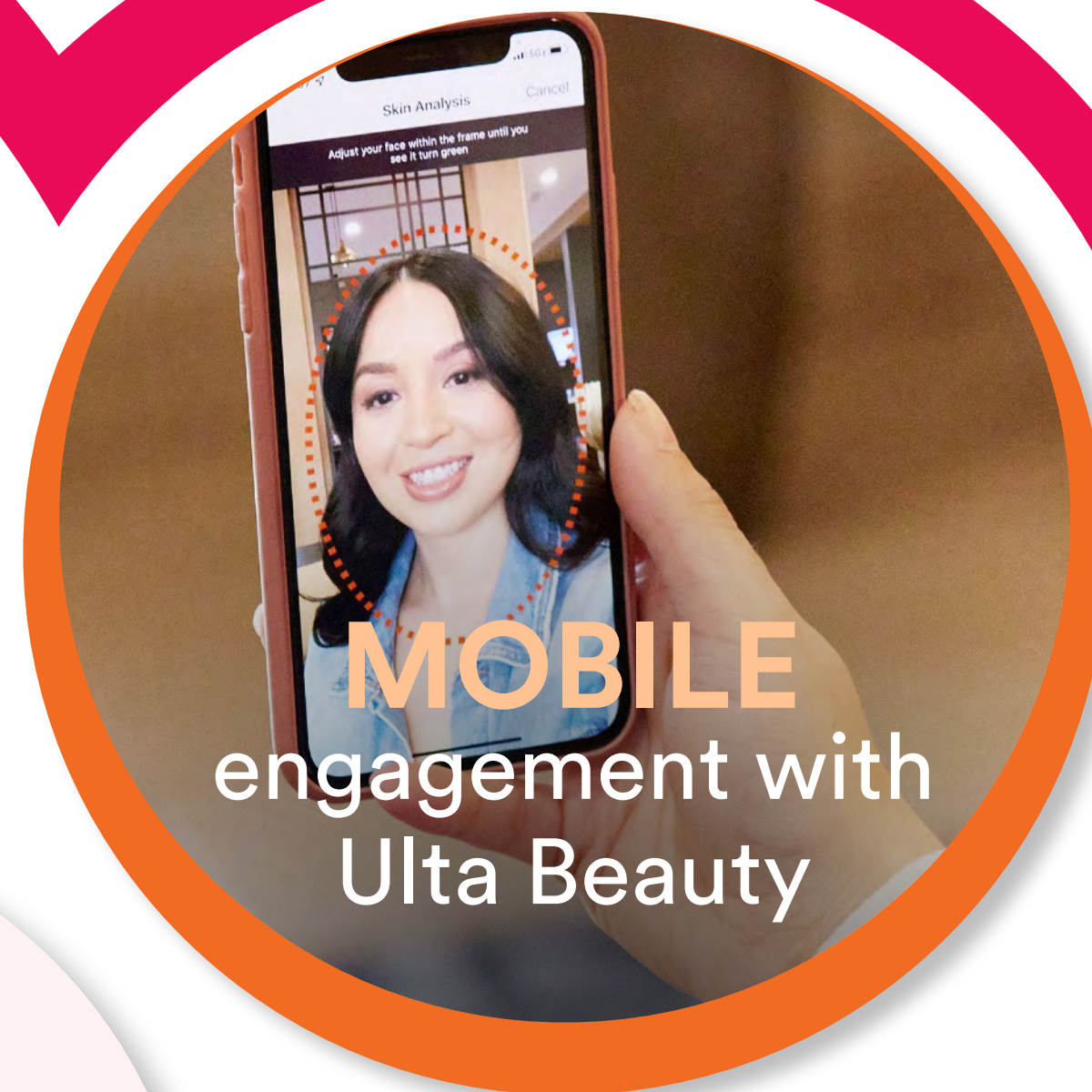
*Buy Online, Pickup in Store (BOPIS)



*Buy Online, Pickup in Store (BOPIS)

CUSTOMER
journey

sparked by
SOCIAL



ENGAGEMENT
with services
and GLAMlab

BOPIS triggers
in-store
DISCOVERY*

Ulta Beauty at
TARGET
trip

*Buy Online, Pickup in Store (BOPIS)

CUSTOMER
journey

sparked by
SOCIAL

MOBILE
engagement with
Ulta Beauty

ENGAGEMENT
with services
and GLAMlab



Ulta Beauty at
TARGET
trip

*Buy Online, Pickup in Store (BOPIS)

CUSTOMER
journey

sparked by
SOCIAL

MOBILE
engagement with
Ultra Beauty

ENGAGEMENT
with services
and GLAMlab

BOPIS triggers
in-store
DISCOVERY*



Ultra Beauty at
TARGET
trip

*Buy Online, Pickup in Store (BOPIS)

CUSTOMER
journey

sparked by
SOCIAL

MOBILE
engagement with
Ulta Beauty

BOPIS triggers
in-store
DISCOVERY*

Ulta Beauty at
TARGET
trip



ENGAGEMENT
with services
and GLAMlab

*Buy Online, Pickup in Store (BOPIS)

We engage guests through digital and physical touchpoints across the beauty journey



- We engage guests at the point of inspiration
- Our presence in social channels drives traffic to our digital platforms
- Our digital tools enable personalized discovery and product recommendations
- Ulta Beauty at Target introduces new guests to the Ulta Beauty experience
- Our stores can turn any mission into a discovery journey
- Our stores blend the unique offering of beauty products and services
- Our superpowered associates create irreplaceable human connections

*Buy Online, Pickup in Store (BOPIS)

Shaping the future of **OMNICHANNEL** experiences

1

our physical retail footprint is a **strategic advantage**, and we are expanding it

2

we will continue to lead the industry with **personal and immersive digital experiences**

3

our ecosystem is expanding with a **breakthrough partnership with Target**, driving frequency

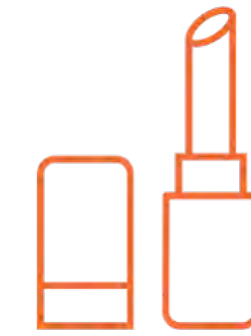


Physical Stores

Analyst Day 2021



Stores are a key *DIFFERENTIATOR*



Exploration and **fun** are consumers' key reasons for shopping



Human connection is more important than ever



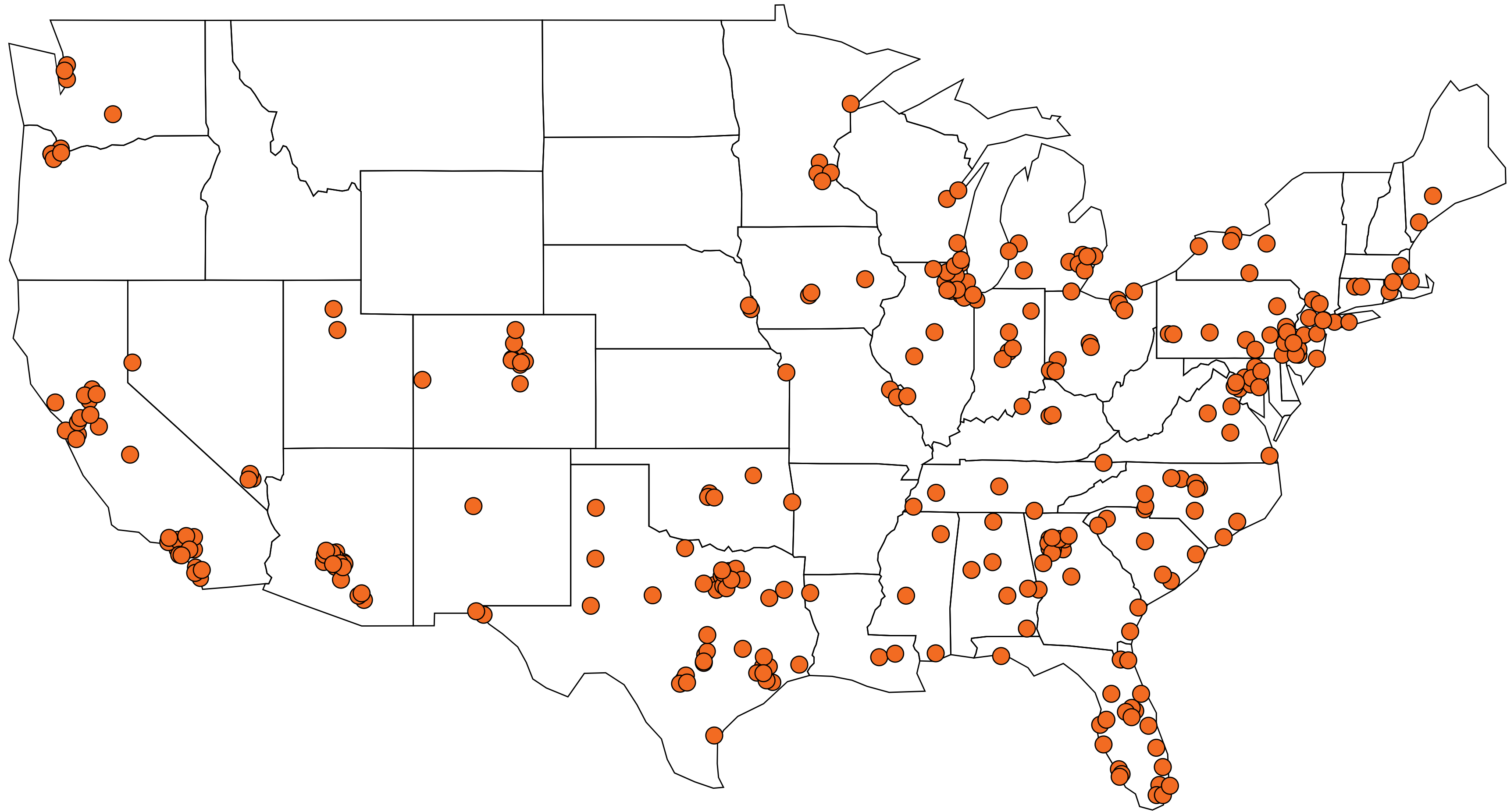
Our network of 1,300+ stores serve as an **omnichannel hub** and are **accessible** to our guests

Our guests value in-store experiences

88% of Beauty Enthusiasts are interested in shopping in stores⁽¹⁾

⁽¹⁾Ulta Beauty Proprietary Research, Forward Bound June 2021

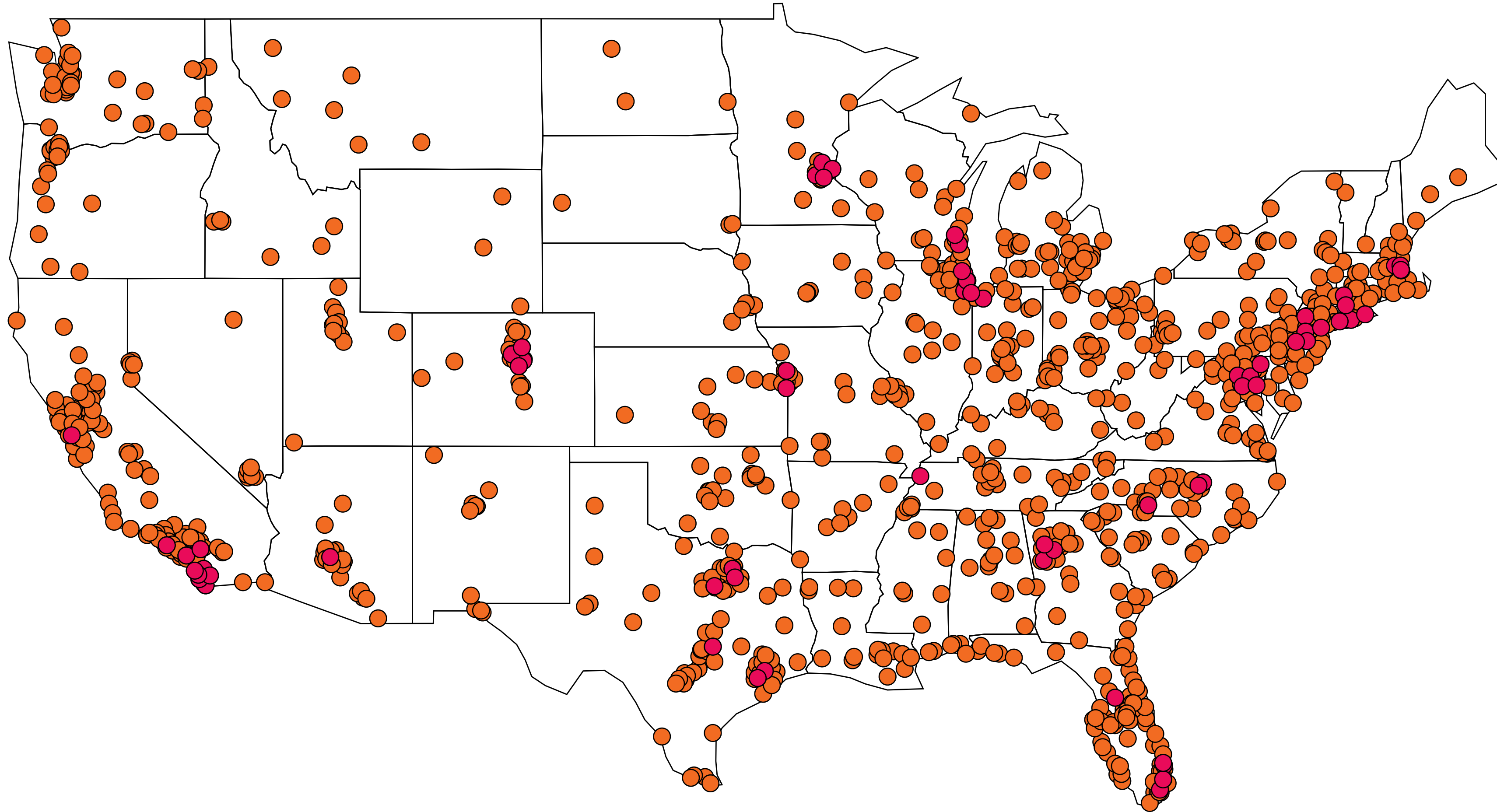
2010



● Ulta Beauty Stores

2021

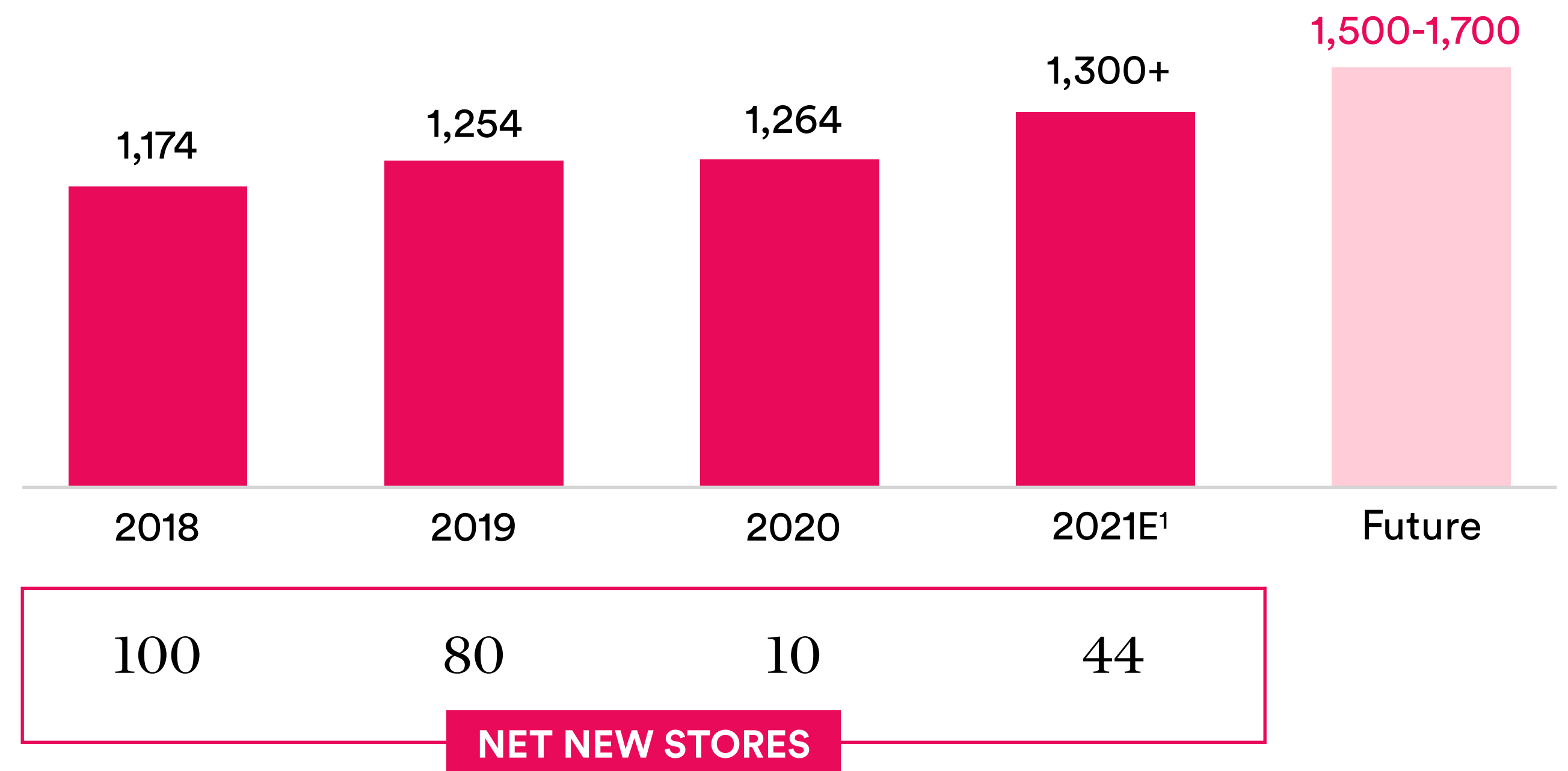
Total open stores: 1,300+



- Ulta Beauty Stores
- Ulta Beauty at Target

Driving growth through stores

End of year store count



⁽¹⁾2021 Guidance provided in earnings release published on August 25, 2021

TARGETED MARKET EXPANSION OPPORTUNITIES

Integrated strategy with consideration of full-line stores, Ulta Beauty at Target, and eCommerce sales

Market designations

High market share
High profitability
(108 DMAs)

Leverage brand awareness to further penetrate white space

Low market share
High profitability
(46 DMAs)

Prioritize growth to increase share

Lower profitability
(42 DMAs)

Selectively grow and focus on improving profitability

SIGNIFICANT EXPANSION OPPORTUNITY

We are confident we can drive margin accretive growth to reach **1,500-1,700 stores** in the US

Maximizing productivity of existing fleet



- Optimize rent and allowances – 500 lease renewal opportunities through 2024
- Improve sites through relocations
- Execute experiential upgrades, balancing investment and impact
- Maximize energy efficiency and minimize carbon emissions through LED lighting

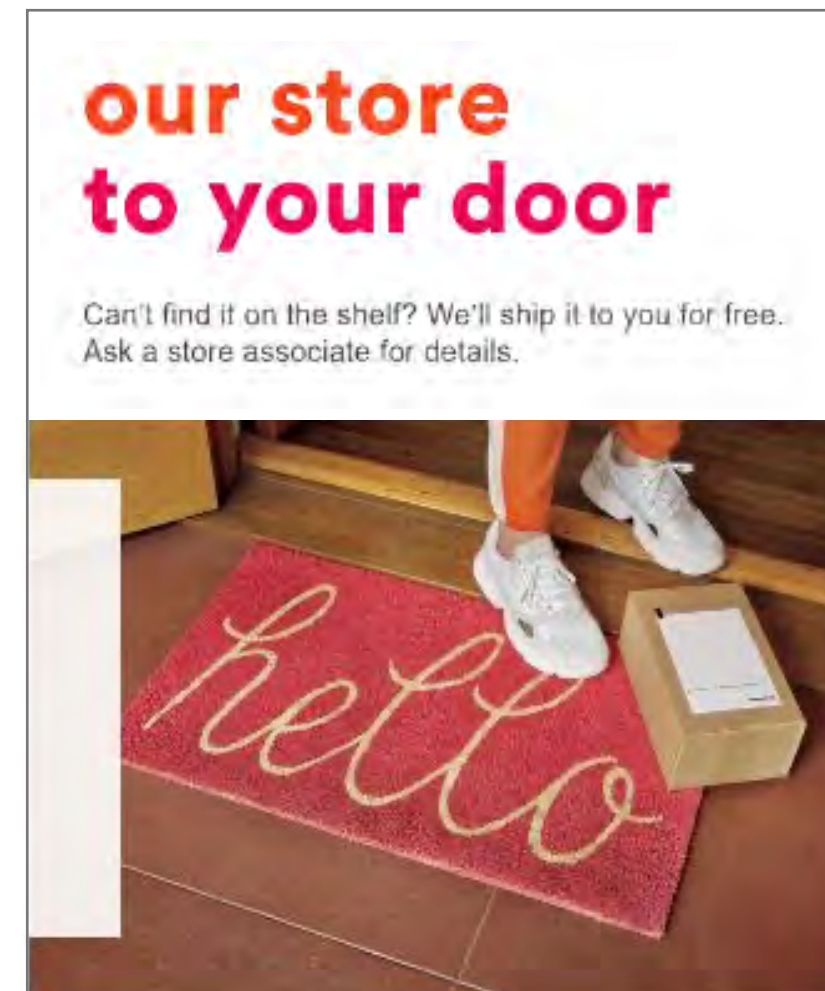
1,300+ omnichannel distribution points



BUY ANYWHERE, FILL ANYWHERE

2017

Store to Door
(endless aisle)



2018

New order
management system



2019

Buy Online,
Pickup in Store (BOPIS)



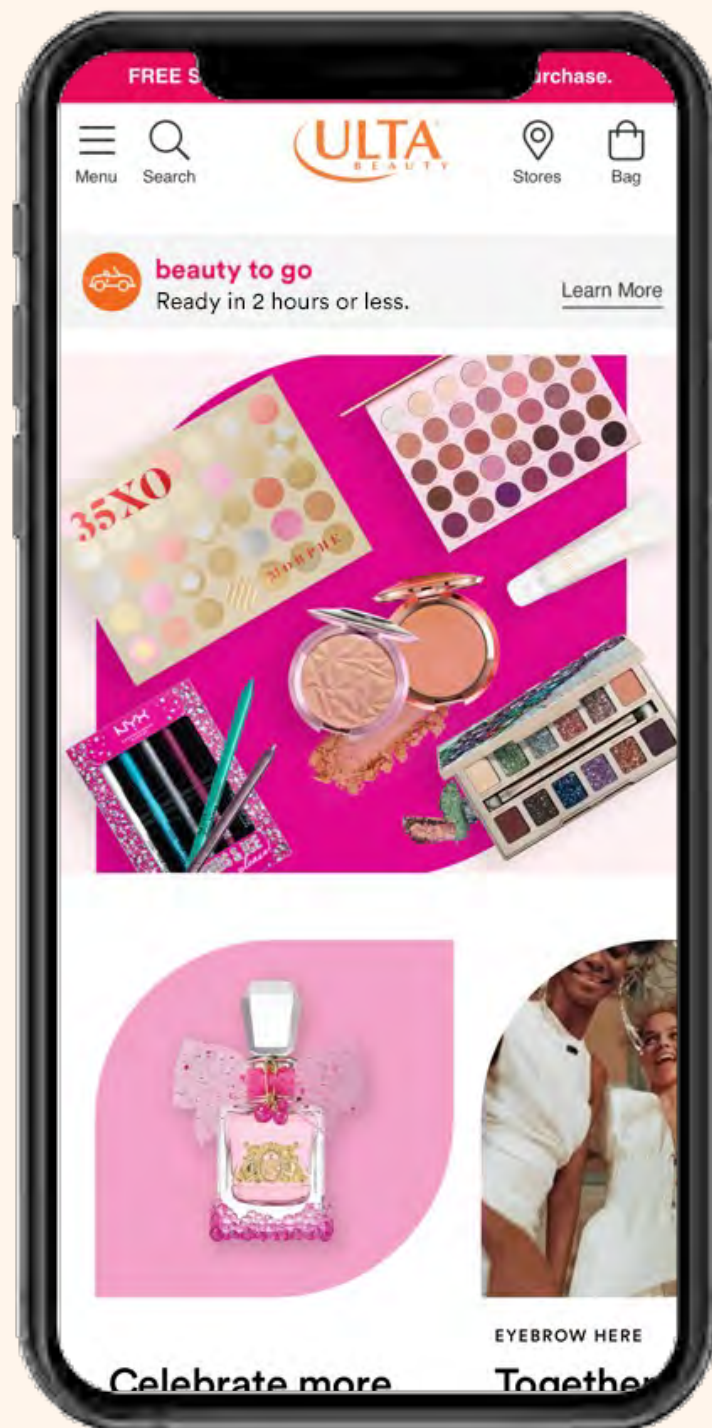
2020

Ship from Store
and Curbside



coming in 2021

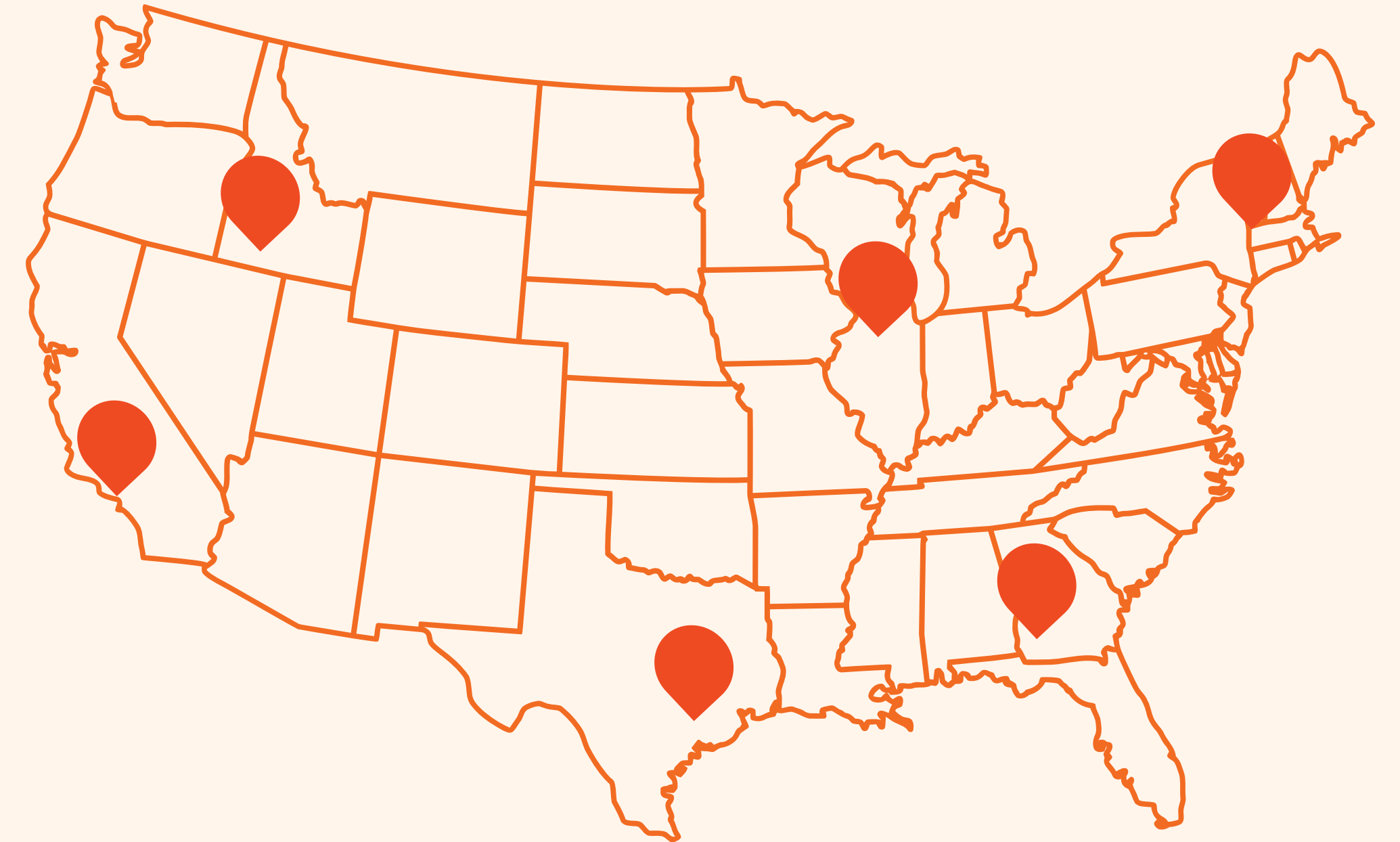
BOPIS in 2 hours



beauty to go
Ready in 2 hours
or less.



Same day delivery pilot



Innovating for the future

Small formats

Elevated services

Enhanced digital enablement



services
are a key differentiator

3x higher annual spend
by services guests

50% of guests purchase
retail products the
day of a service

+5 additional annual trips
compared to average
Ulta Beauty guest



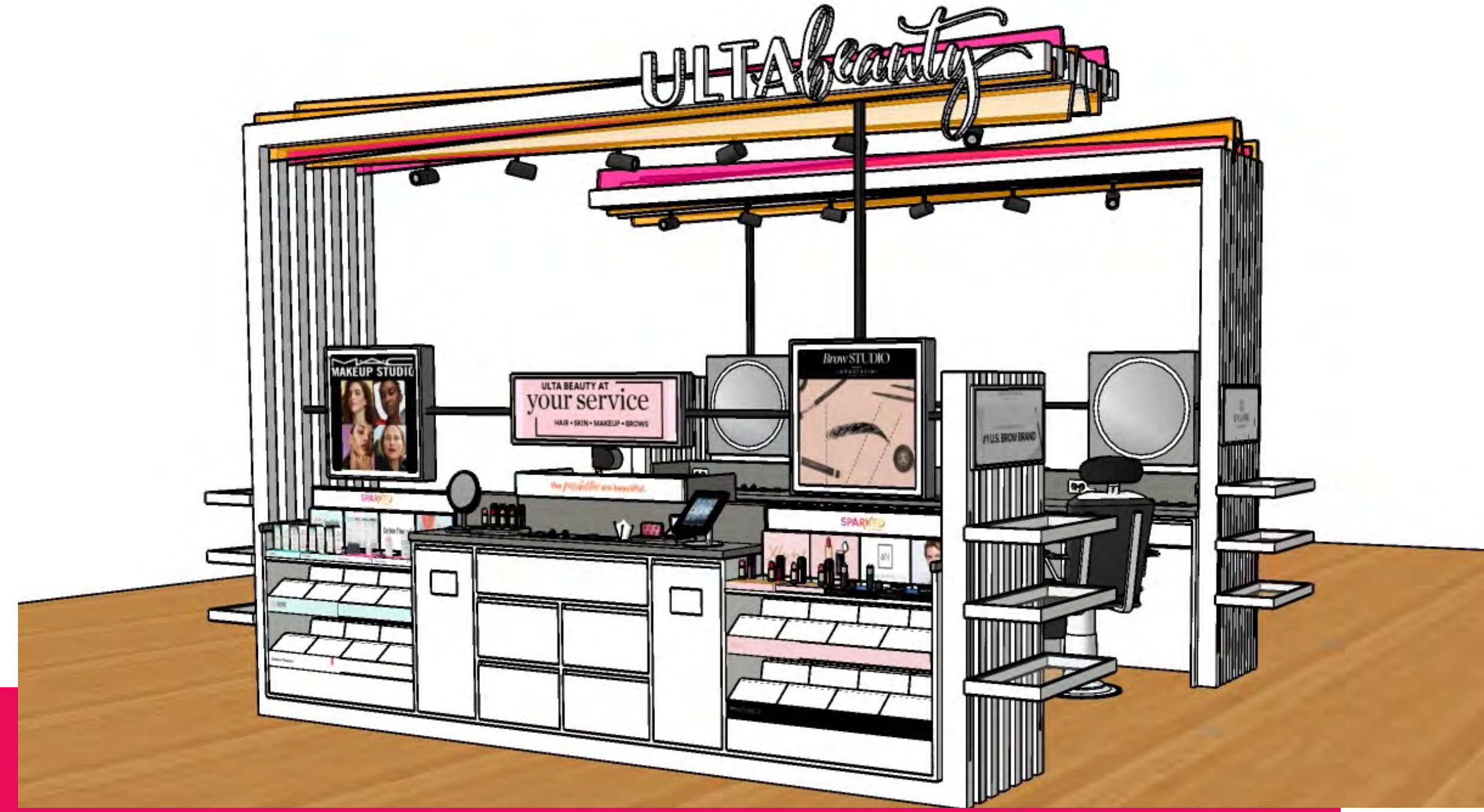
Services Outlook

Strong momentum in 2021



- Profitability improvements
- Top talent
- Salon of choice

Future vision



- Services hub
- Testing new offerings and technology
- Expanding brand partnerships



Digital in-store discovery

Superpowered associates

Digital tools will equip our in-store associates with deep product knowledge and expertise to provide guests with a personalized experience

In-store discovery

We will enable dynamic discovery in-store through interactive digital overlay that is accessible on guest devices throughout the journey

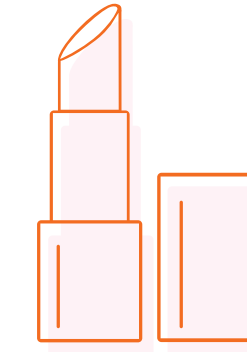
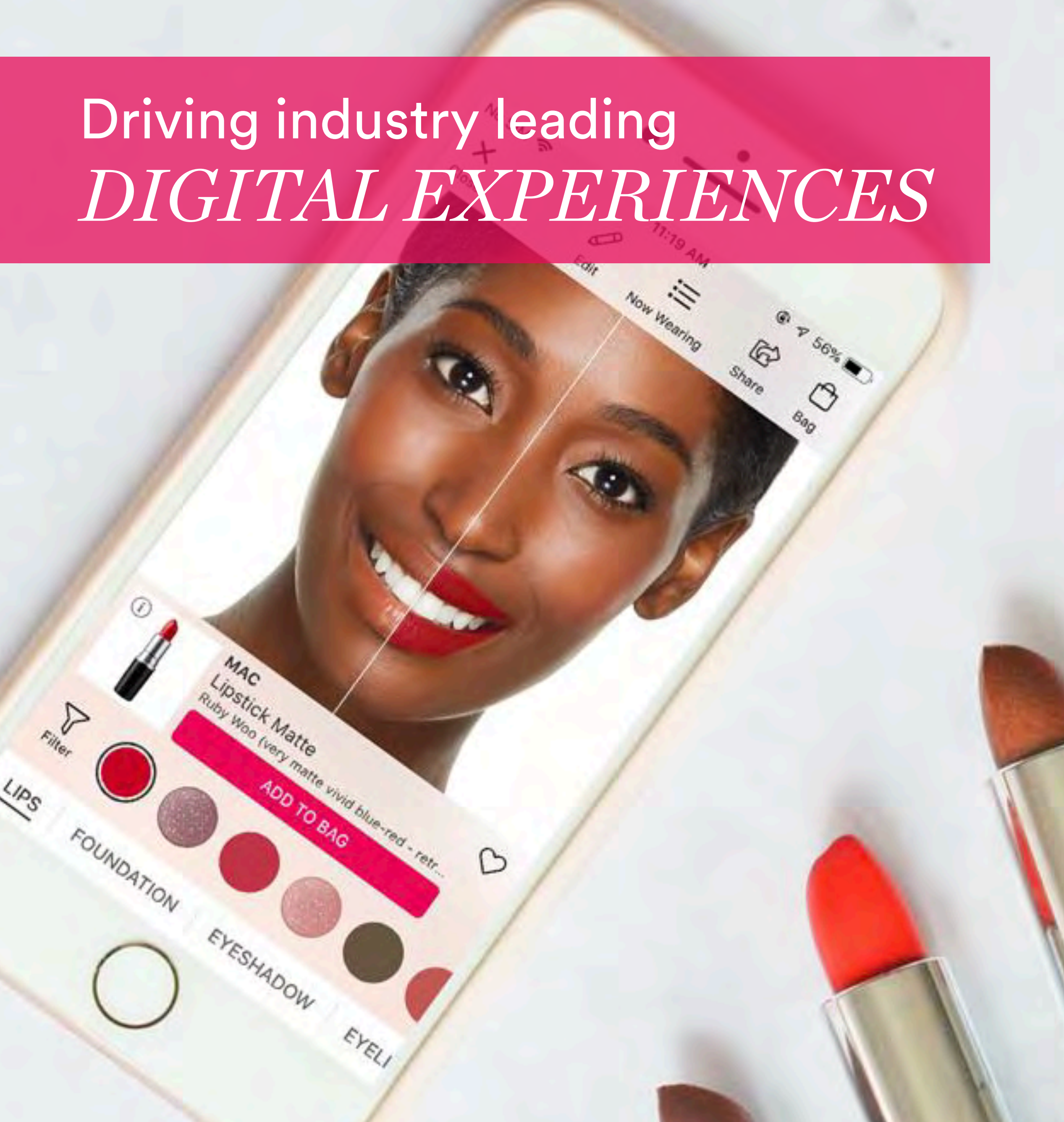


Digital experiences

Analyst Day 2021



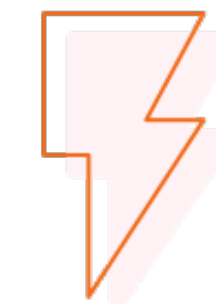
Driving industry leading *DIGITAL EXPERIENCES*



Exploration and fun are consumers' key reasons for shopping, **enabled by digital** capabilities



Consumers are **increasing digital adoption**, and we are meeting them where they are

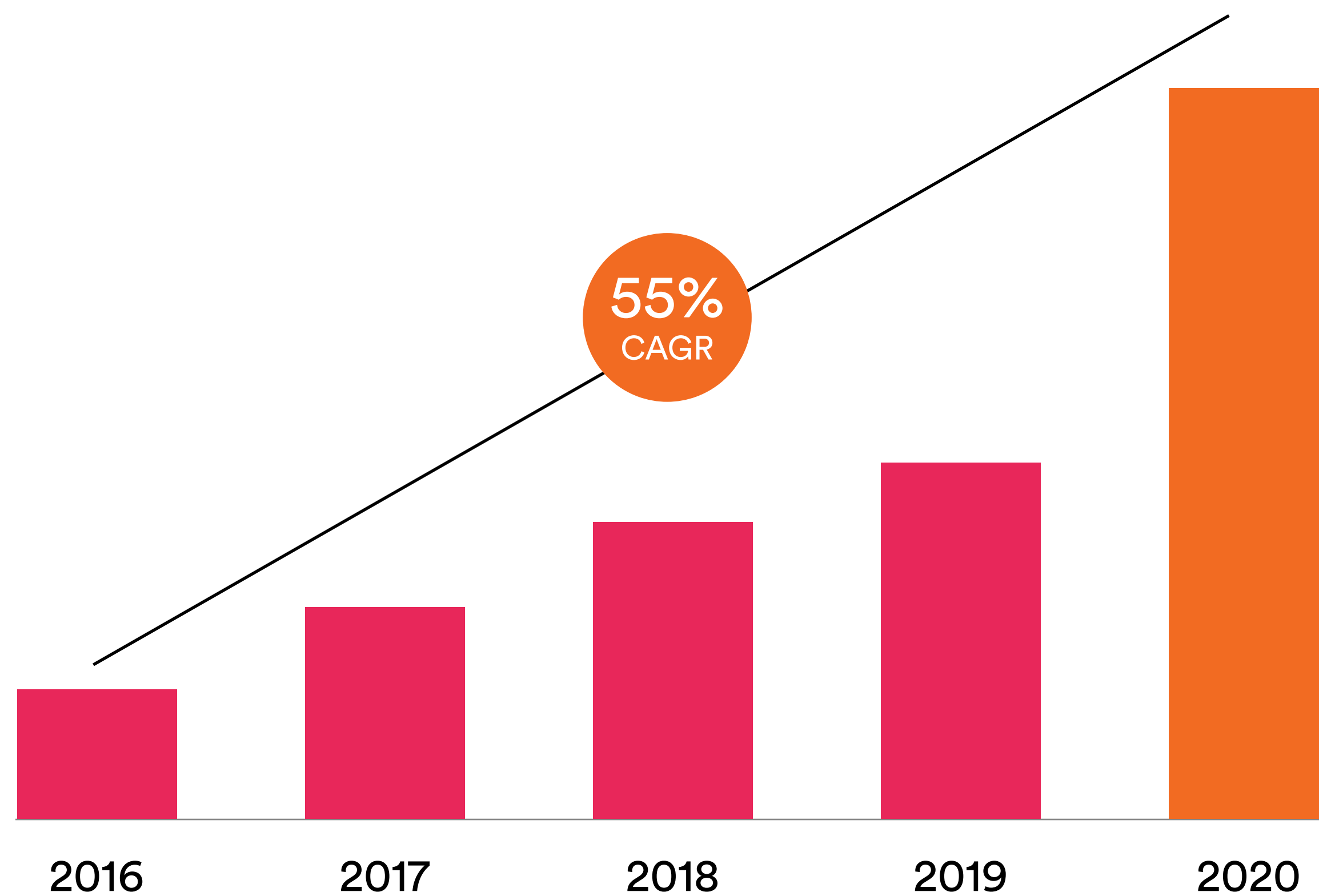


Creating competitive advantage through innovation with owned assets and differentiated capabilities

**Personal, immersive, fun experiences
blending content and commerce**

Explosive eCommerce growth

Ulta Beauty eCommerce sales



DELIVERING AND BUILDING ON OUR DIGITAL VISION

2017

New mobile site and app homepage

New cart and checkout

Growth of online-only brands

2018

Visual search

Store locator

GlamST (AR) and QM Scientific (AI) acquisition

2019

Refreshed mobile app

Update mobile product detail page and filters

GLAMlab live virtual try-on

Product finders (AI powered)

Afterpay (buy now, pay later)

Live chat

2020

Personalized mobile app (For You)

Hair, lashes, and brow virtual try-on

Quazi™ product recommendations and replenishment

Services appointment booking

Guest service chatbot

Foundation shade finder

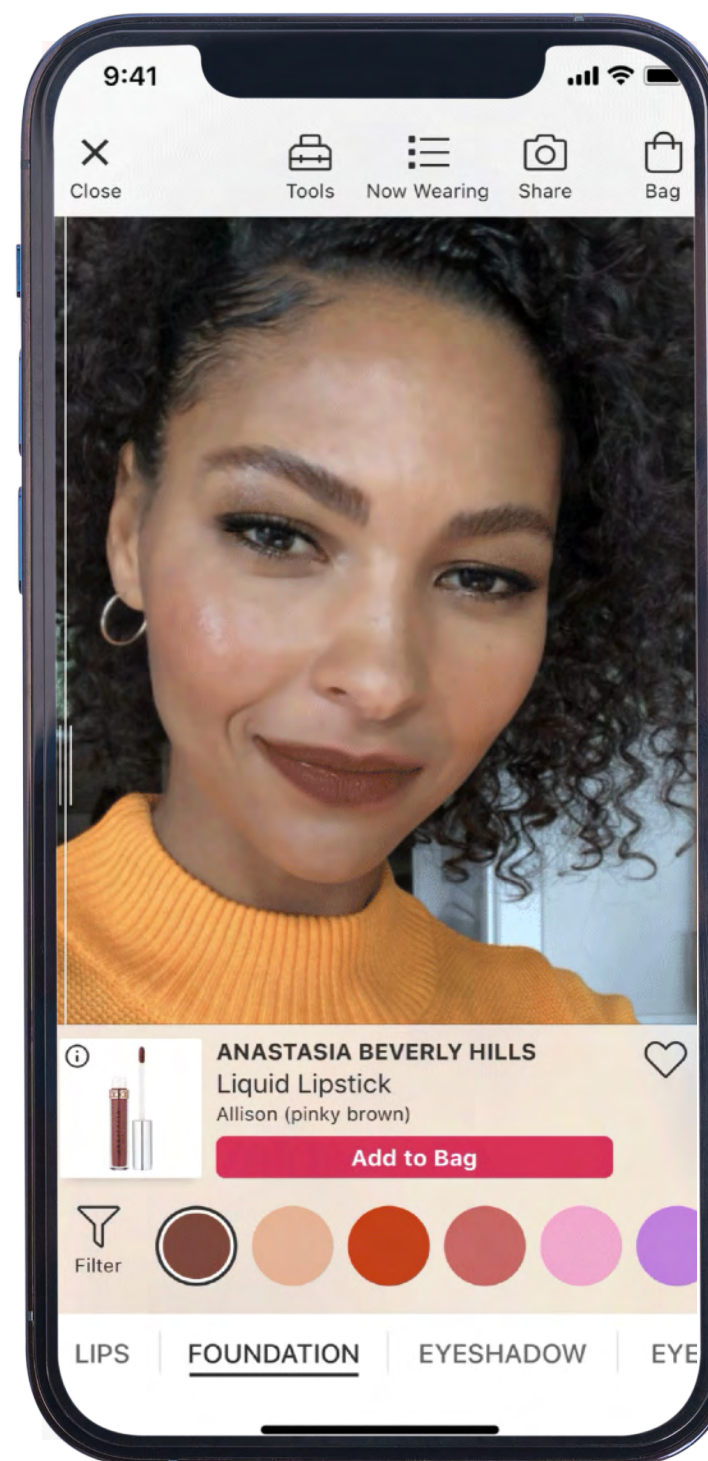
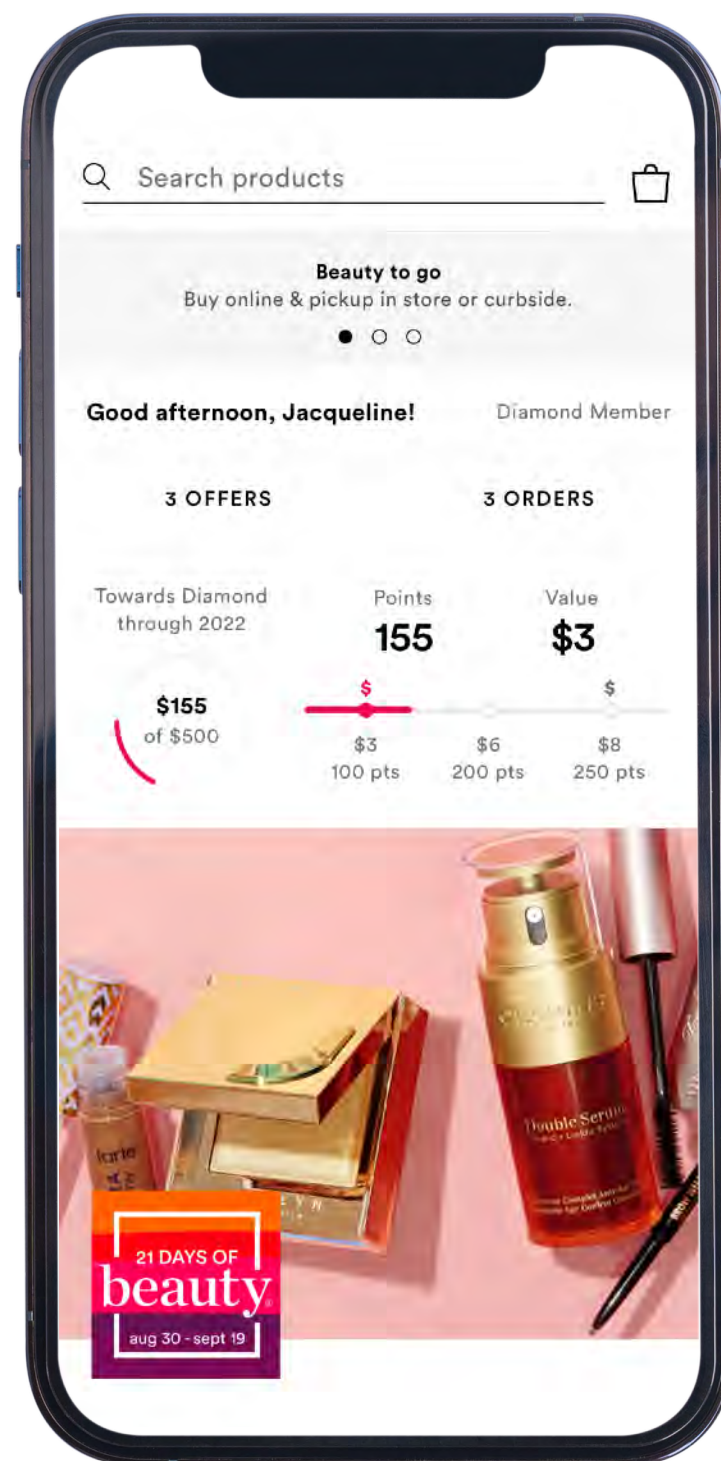
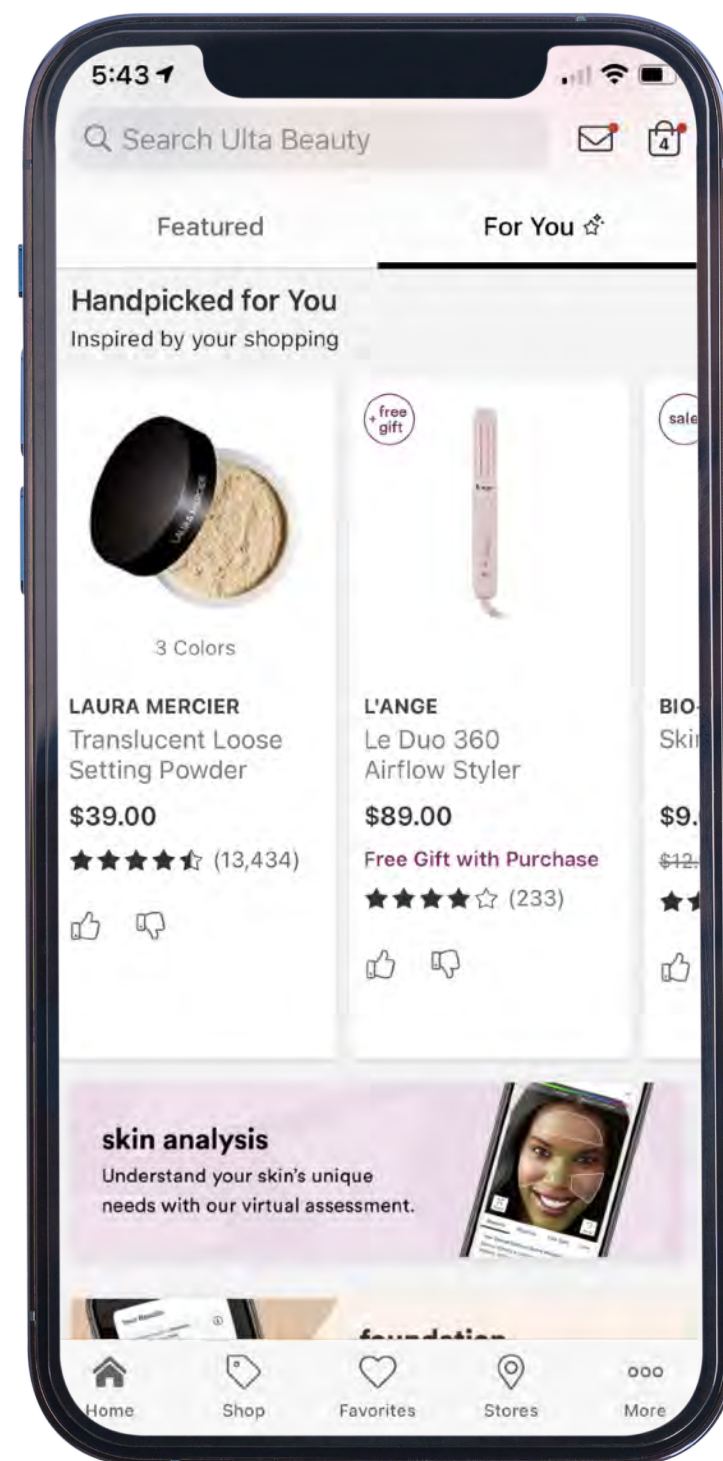
Skin Analysis, including recommending a personalized routine

Enhanced mobile experiences

○ **SHOPPING**
personalized

○ **REWARDS**
at a glance

○ **VIRTUALLY**
try on makeup



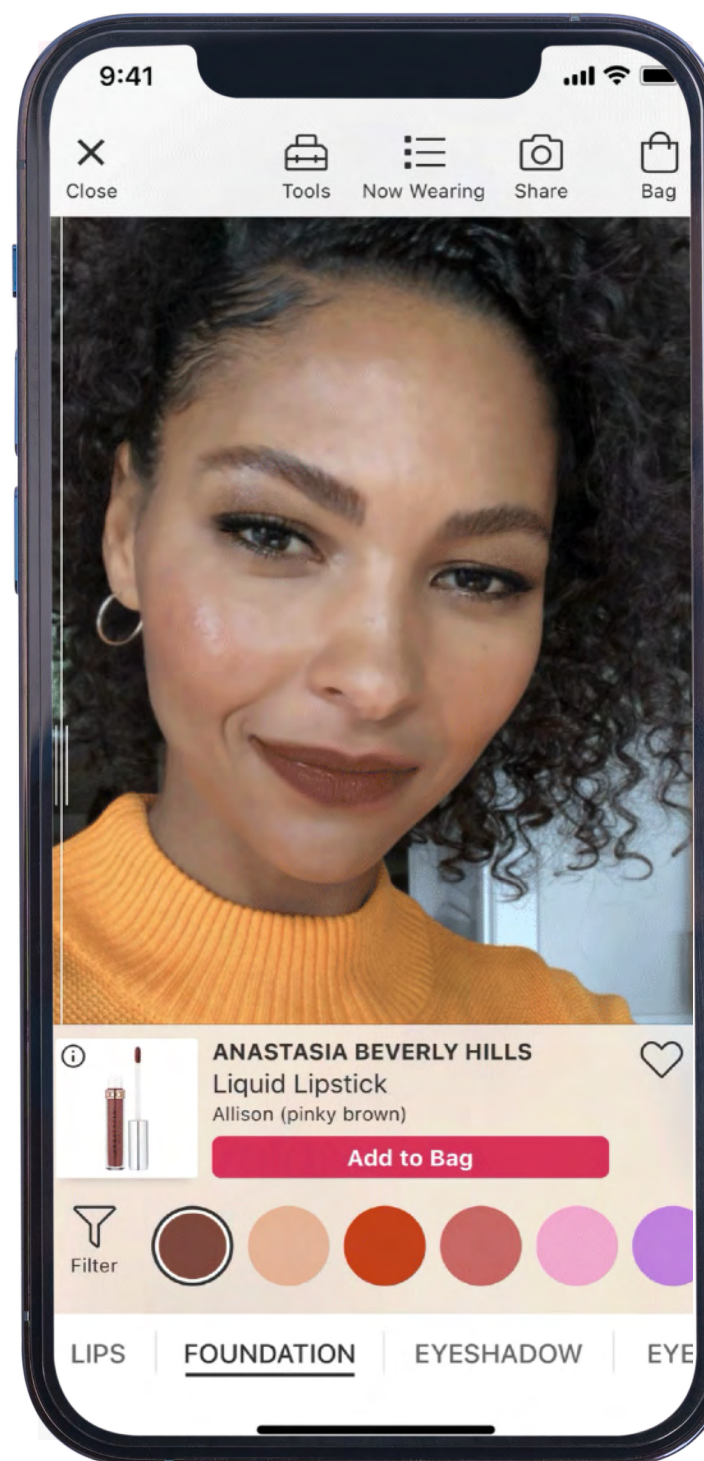
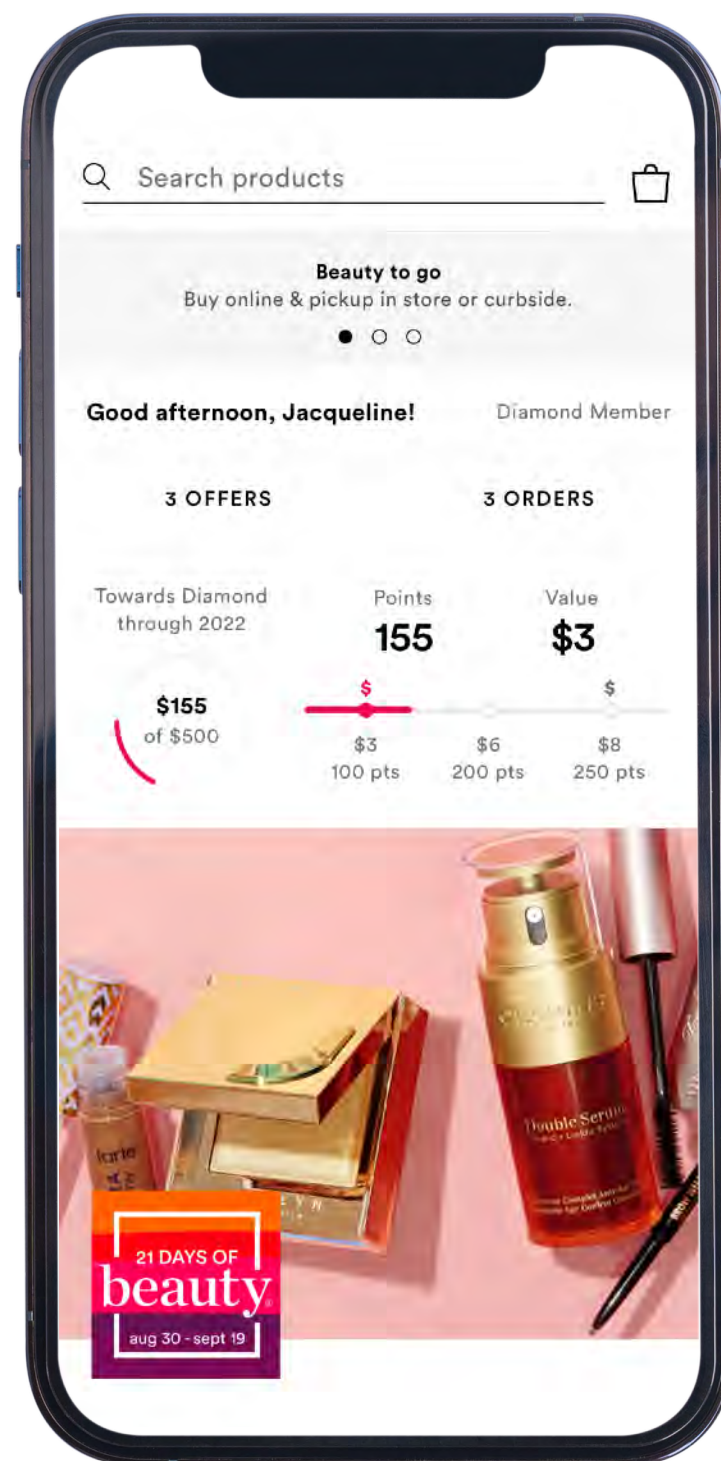
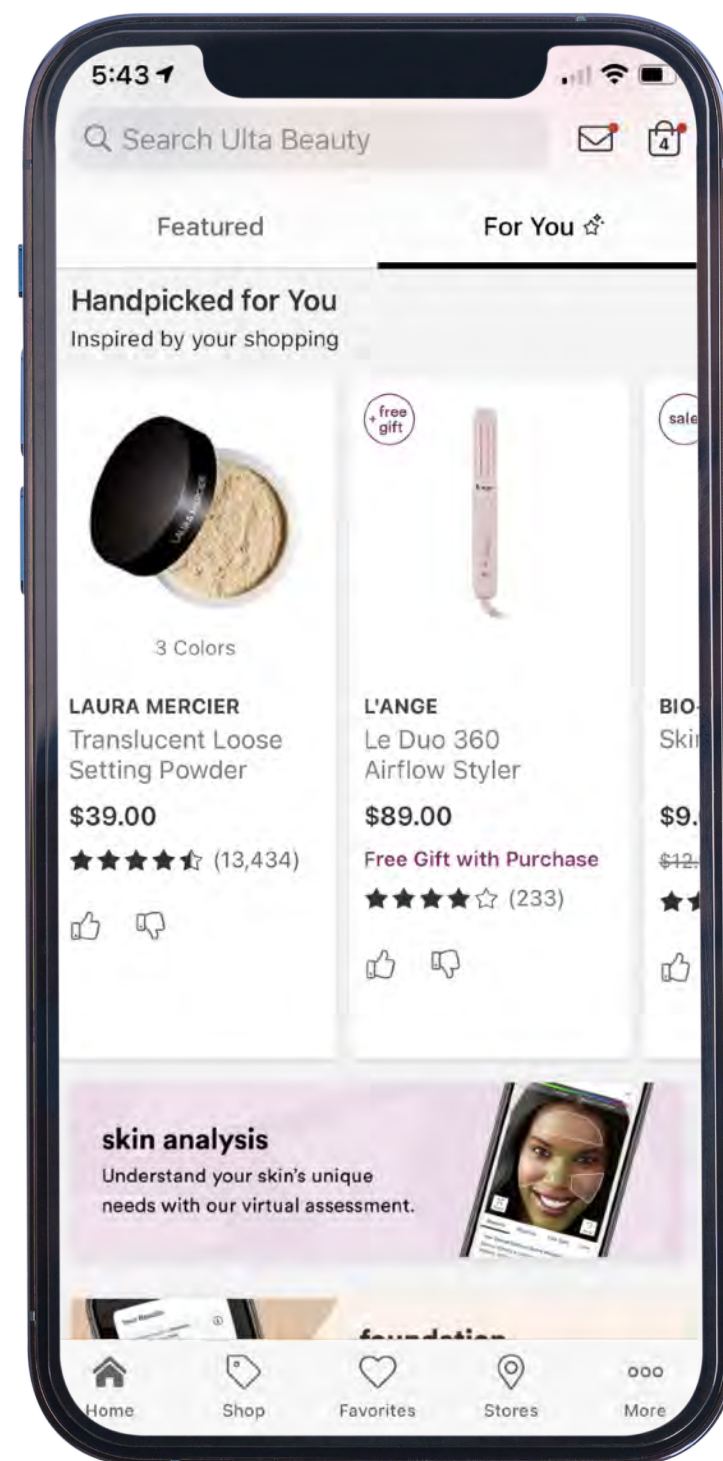
app users
Spend 2x as much
+
Visit 2x as often

Enhanced mobile experiences

○ **SHOPPING**
personalized

○ **REWARDS**
at a glance

○ **VIRTUALLY**
try on makeup



app users
Spend 2x as much
+
Visit 2x as often

Digital Store of the Future

guests

- Fresh, easy, and intuitive browse and shop
- More connected, seamless, frictionless, omnichannel experiences
- Advanced personalization, including personalized search
- Inspiring and educational content (guided tips and tools)

enterprise

- New modern technology and architecture (Cloud native, API first)
- New design system
- More data signals to drive customer insights
- More flexibility, lower cost, greater scalability, faster speed-to-market

Hello, glow

Who should use it

Anyone interested in a vegan body scrub that can be used on damp or dry skin.

[Shop now](#)



FIRST AID BEAUTY

KP Bump Eraser Body Scrub with 10% AHA

Why we love it

Bye, body bumps—KP Bump Eraser to the rescue.

Free Standard Shipping over \$35

Menu Search **ULTA BEAUTY** Stores Bag

Home / Makeup


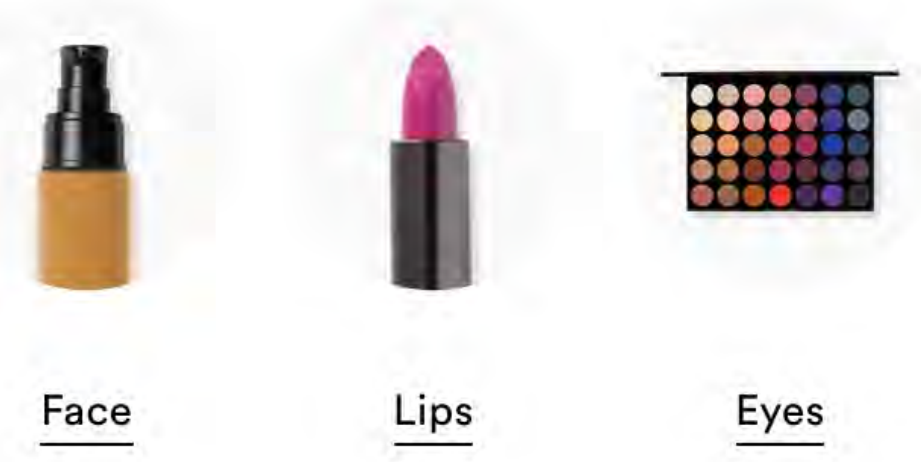
Makeup

Beauty products for your face, lips, eyes and body.

[Shop all →](#)

Shop Makeup

Face Lips Eyes


Free Standard Shipping over \$35

Menu Search **ULTA BEAUTY** Stores Bag

CELEBRATING

Beauty in Heritage

At Ulta Beauty, we celebrate and acknowledge the diversity of the Latin American and Hispanic communities. We're spotlighting the unique cultures, traditions, histories, and the inspiring leaders paving the way.



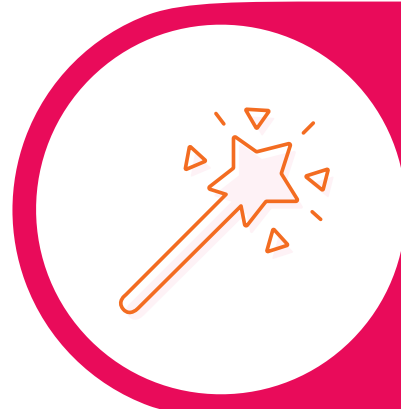
Creating a
competitive advantage
**WITH DIGITAL
INNOVATION**



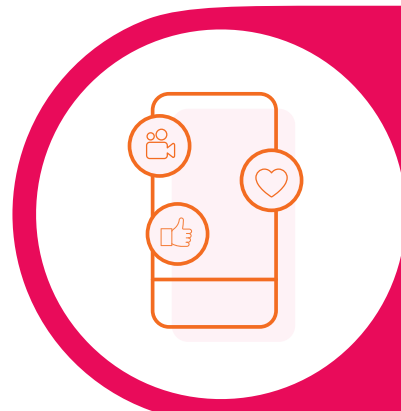
Personalized and data driven experiences



Virtual try-on + holistic self



Explore the store, explore the world
Immersive commerce



Interactive video, live and social



Custom beauty product on-demand


🔍

Discover products and find new favorites

In Store Deal Available Your skin tone


On Trend **Great Value**

Good Color Payoff Cruelty free



We think this shade will look great on you!

📍 Buy in store and get 25% off!

 **NARS Blush**
Peach Pink
\$39

[Try On](#) [Get Deal](#)





2:21

5G



USE YOUR CAMERA
TO FIND A LOGO



Explore Reviews
& Product Information
Scan the QR code and discover
a new beauty experience.

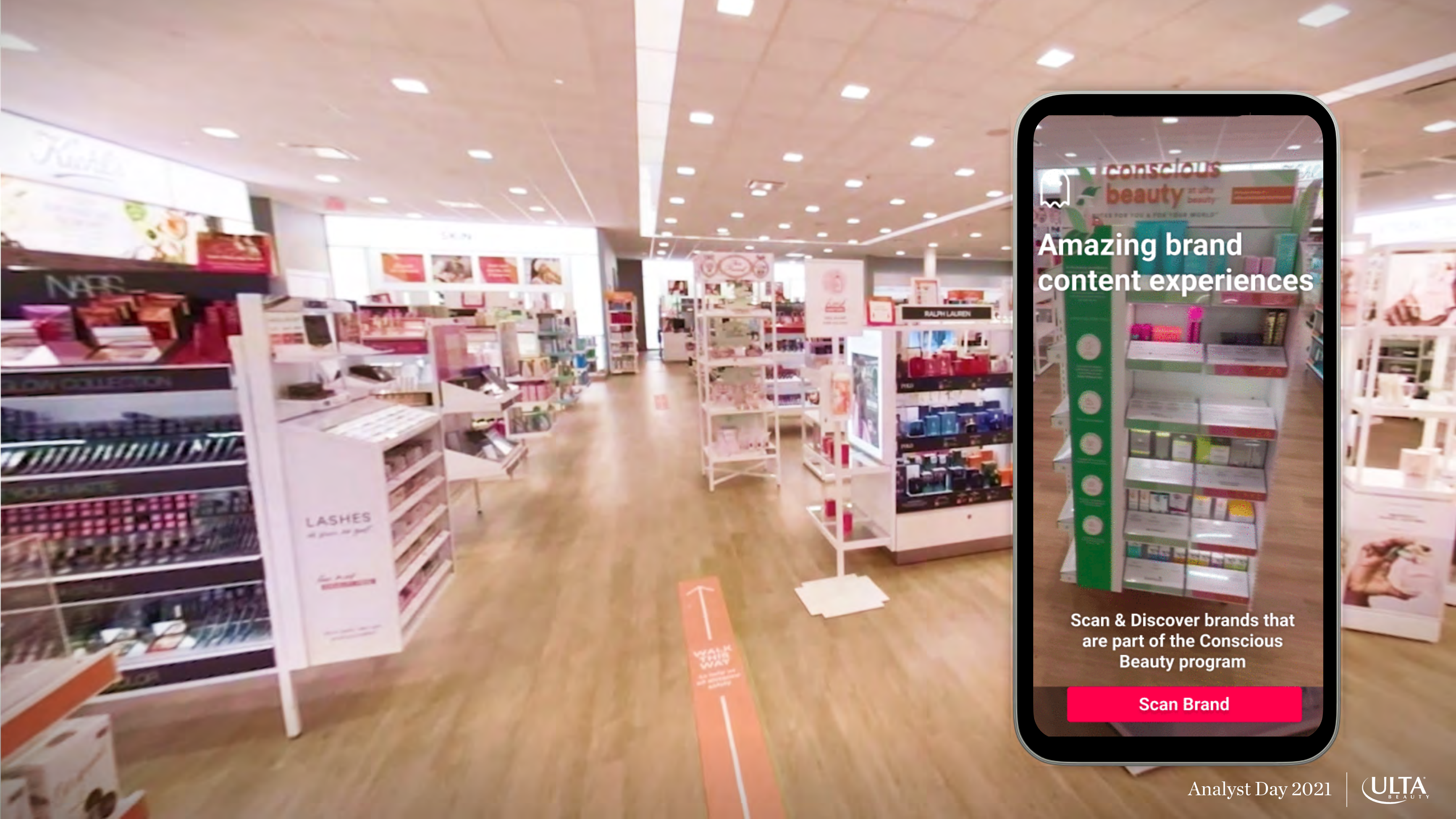
App Clip

Amazonian clay 16-hr full coverage foundation 1.2 oz (34g)

matte mousse • oil-free • poreless technology

16-hr full coverage fo

WALK THIS WAY



Amazing brand content experiences

Scan & Discover brands that are part of the Conscious Beauty program

Scan Brand



Blend online experiences with wayfinding



Take our skin analysis to get a personalized routine in seconds, then find what you need in store.

Powered by GLAMLab

[Create My Routine](#)



Drive engagement
with local events
and services



Makeover event starting

9:58:36

Book in the next 10 minutes and get \$20
off, plus free makeup to take home!

Book Now and Save

In 2018, we established partnerships and acquisitions to accelerate digital innovation

We continue to partner and invest to expand our digital ecosystem

GLAM_{ST}

AR Capabilities

QM
SCIENTIFIC

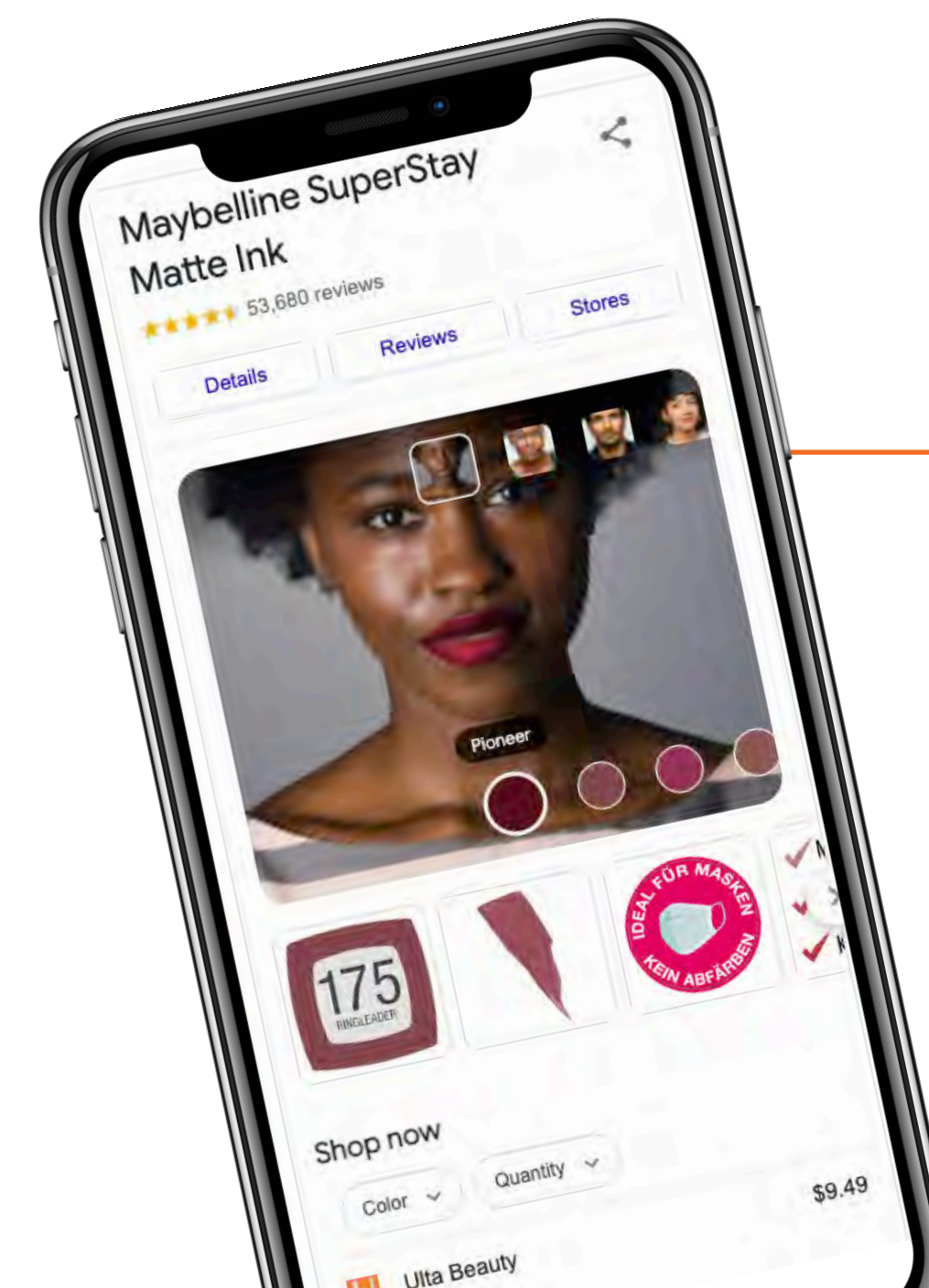
AI Capabilities

 **iterate.ai**
We get innovation done.

Innovation workflow partner

adeptmind

AI-guided search and discovery



Launching in 2021

New partnership with Google

○ *Virtual try-on effects for lipstick and eyeshadow*

Google

YouTube

Digital Innovation Fund

Coming 2022

We will partner with innovators, entrepreneurs, early-stage investors, and other agents of change

Transforming the future of beauty, retail, and commerce



Digital Innovation Fund





try love buy

ULTA
BEAUTY

Ulta Beauty at Target

Analyst Day 2021

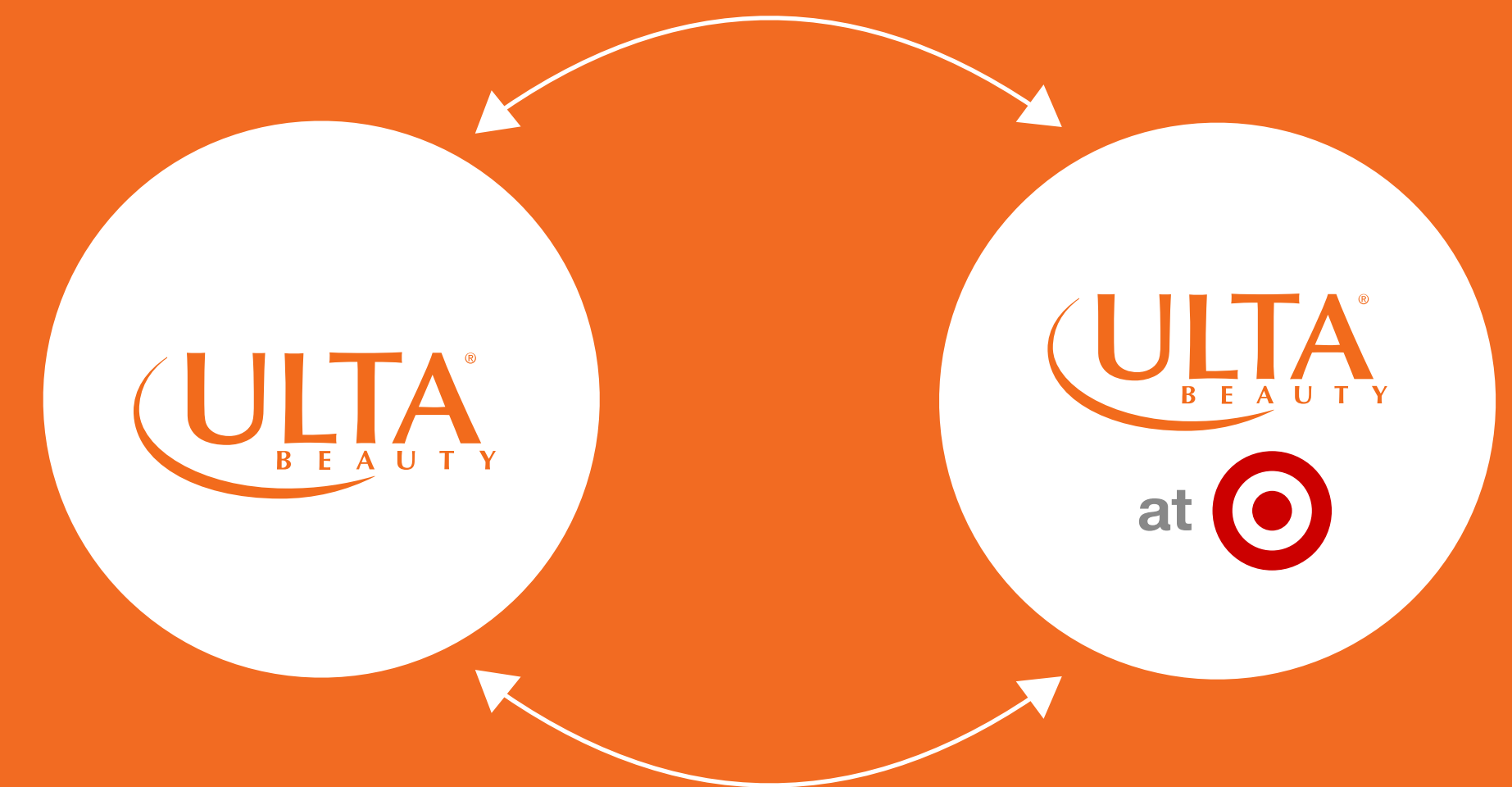
ULTA
BEAUTY

Engagement through more touchpoints



Delivers impact to Ulta Beauty through:

- New guests and members
- Increased spend across the ecosystem
- Other revenue benefit

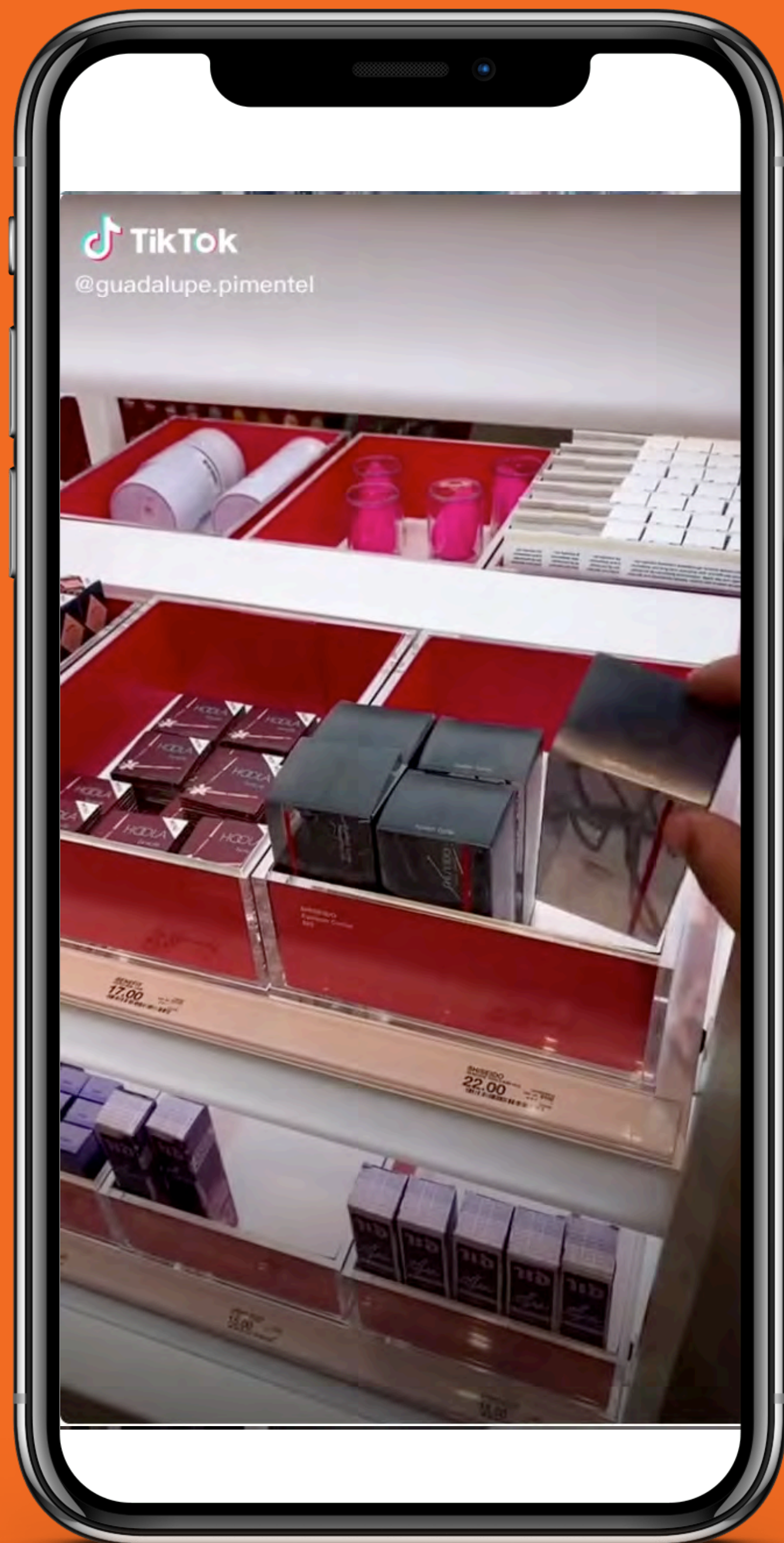


Meets our members where they (already) are with integrated loyalty programs



- ~1,000 square feet
- Prominent location in-store
- 50+ prestige and emerging brands
- Same assortment on Target.com
- Curation of core best sellers and hottest new items, limited-edition, and minis for discovery





 **Chyna Chy**
@ChyNC_

ulta in target is my new obsession

8:44 AM · Oct 3, 2021 · Twitter for iPhone

 **Not The Race Car Driver** 🤪 DCJ 🇵🇭 🇺🇸
@DCJDoll


OMG Ulta at Target is so so dangerous!!!! I didn't know it was that many brands til I saw the website rn and really?!? Buxom?? Tarte?? Juvia's Place, Anastasia? 🧑🏻🧑🏻🧑🏻 (imma still go tho 😭🤪)

3:36 PM · Oct 3, 2021 · Twitter for iPhone

 **Kandice** 🙌
@kandimarie_

Ulta is in Target 🤔😭 Lawddd, please be the self control! Target knew the assignment.

2:40 PM · Sep 28, 2021 · Twitter for iPhone

 **Bruno**
@brunoinegrete

ulta being at target has really made my life 100x easier

2:03 PM · Sep 29, 2021 · Twitter for iPhone



GUESTS

increasing access and additional touchpoints



BRAND PARTNERS

expanding relationships and unlocking growth



ULTA BEAUTY

attracting new members and expanding engagement with existing members

KEY *takeaways*

- Our **leading omnichannel ecosystem** crosses physical and digital touchpoints and meets guests where they are
- Our highly-profitable **store fleet** is a **differentiator and a strategic advantage**. And we have tangible expansion opportunities
- As a **digital leader in beauty**, we are innovating further to delight and engage our guests through fun, immersive, anticipatory, personalized experiences
- Through **Ulta Beauty at Target**, we are expanding our leadership in beauty with a new touchpoint that **benefits guests, brand partners, and Ulta Beauty**



A close-up photograph of two hands, one from a person with darker skin and one from a person with lighter skin, holding a heart shape. The hands are positioned with fingers pointing outwards, and the palms facing each other to form the heart. The background is a soft, out-of-focus orange and red. A semi-transparent pink banner is overlaid at the bottom of the image.

Heart of the Beauty Community

Building engagement and loyalty

Analyst Day 2021





Building our brand
in the hearts of
consumers

93%

brand awareness

+10 pt

top-of-mind
awareness over
last 5 years

+60%

marketing ROI
over last 6 years

34.6M

active members

+10%

YOY positive social
conversation
growth

Sources: Ulta Beauty Brand Tracker (Aug 2021), Marketing Mix Analysis (Aug 2021), Q2 2021 Ulta Beauty Member Data Reporting, Sprinklr



To expand and deepen our connection at the *heart* of the beauty community, we will:

- Amplify our brand purpose platform
- Build the new creator and content ecosystem
- Accelerate live steaming and social selling
- Enhance our connection with key cohorts
- Drive innovation in our loyalty program
- Unleash our data as a competitive advantage

Telling our brand story

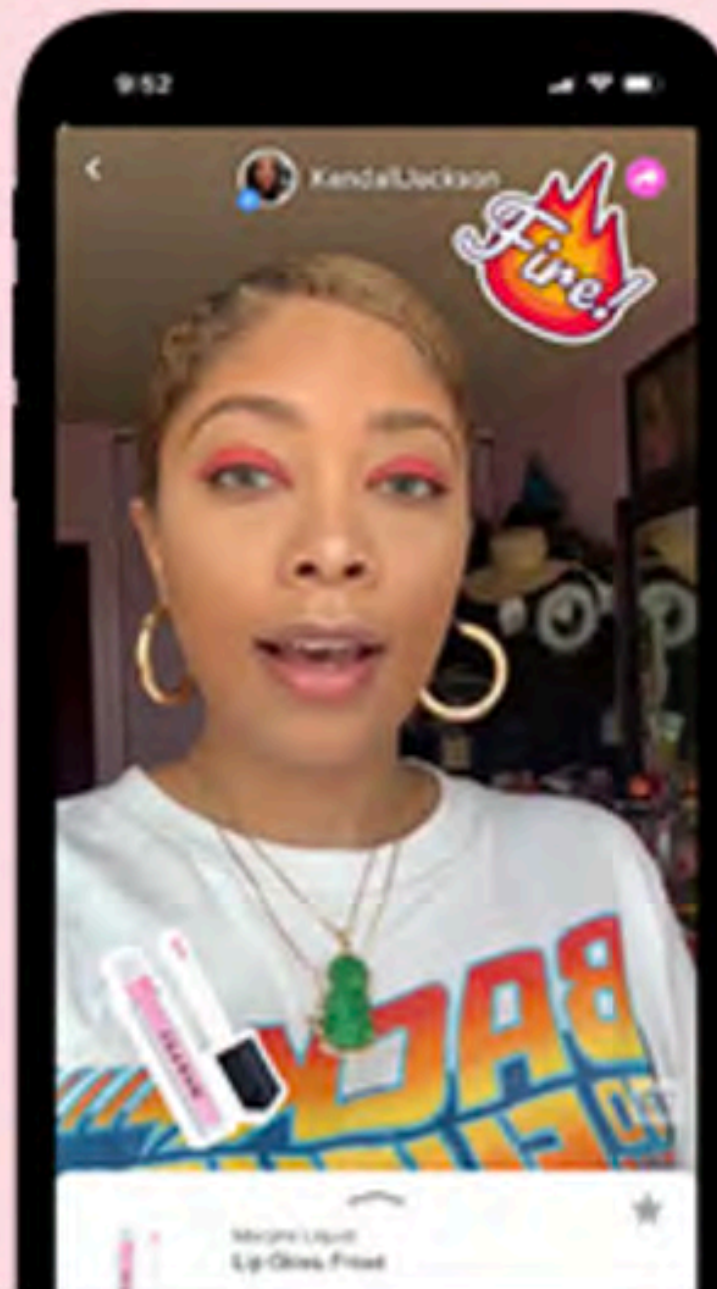
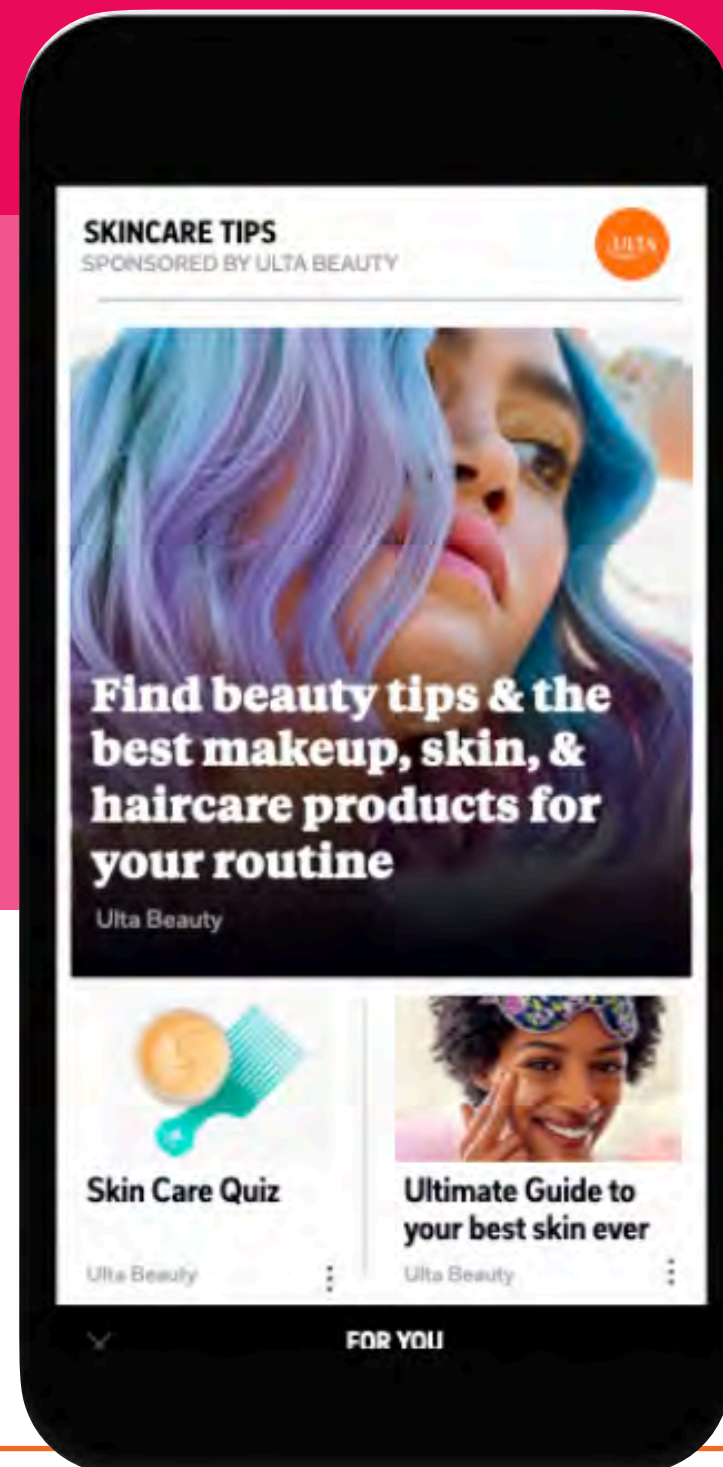
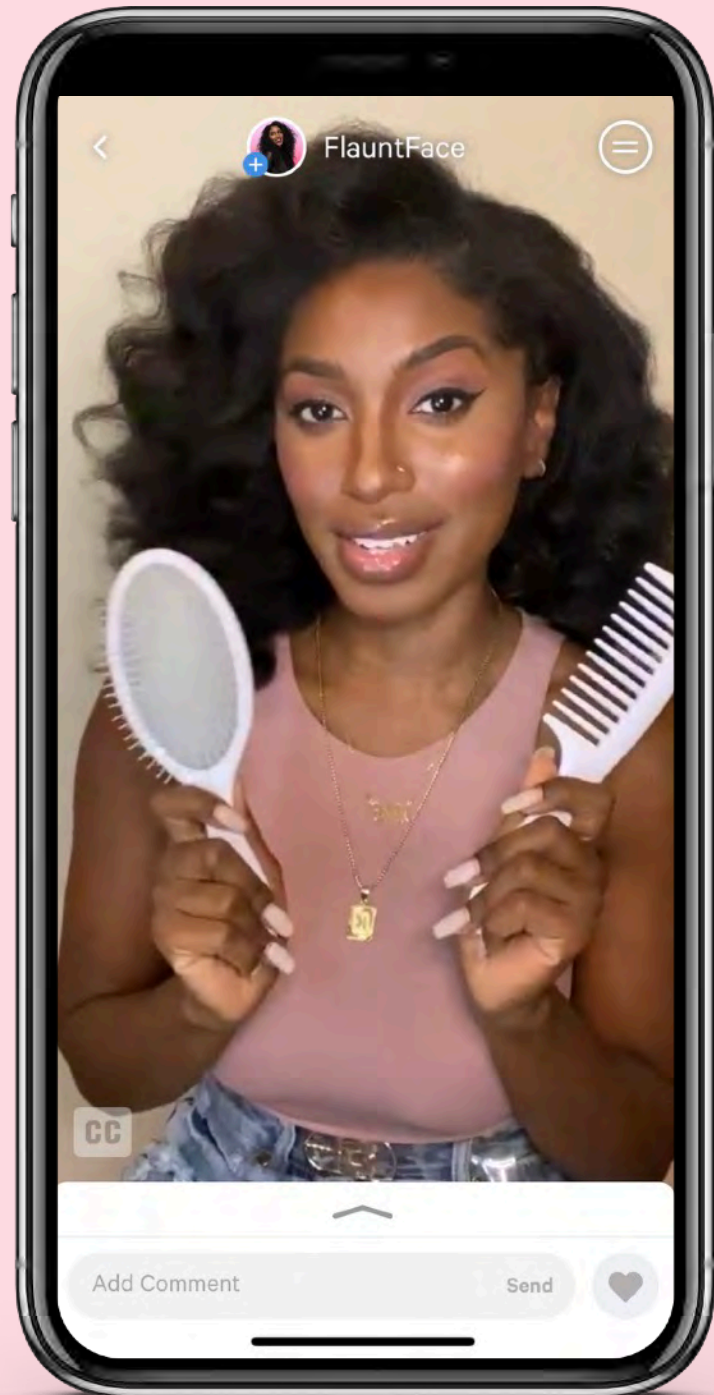
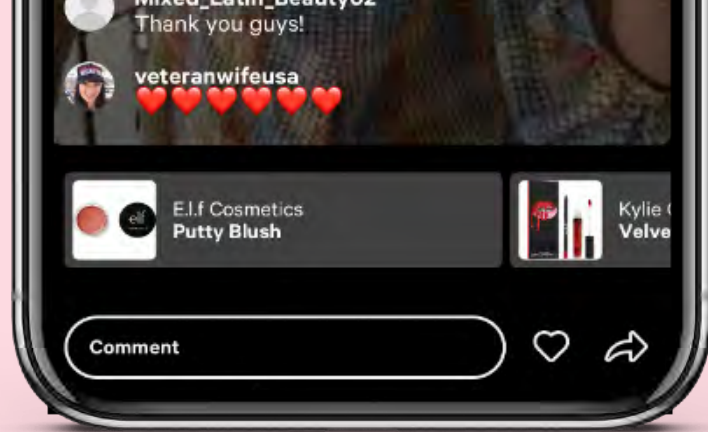


Bringing our brand purpose to life



the evolving world of beauty influence

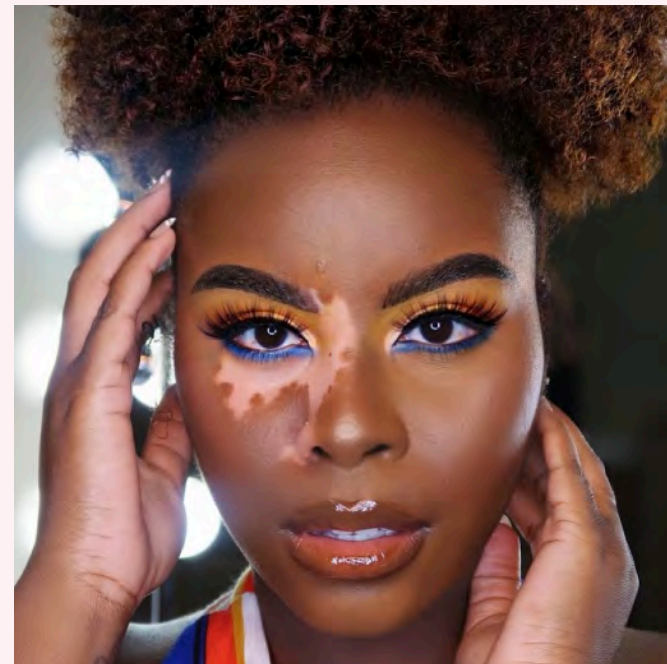
education relevance
influence Expertise **CREATOR**
 curation **ENGAGEMENT** content
 TikTok
 authenticity authority Commerce
 video *community*
LIVESTREAM



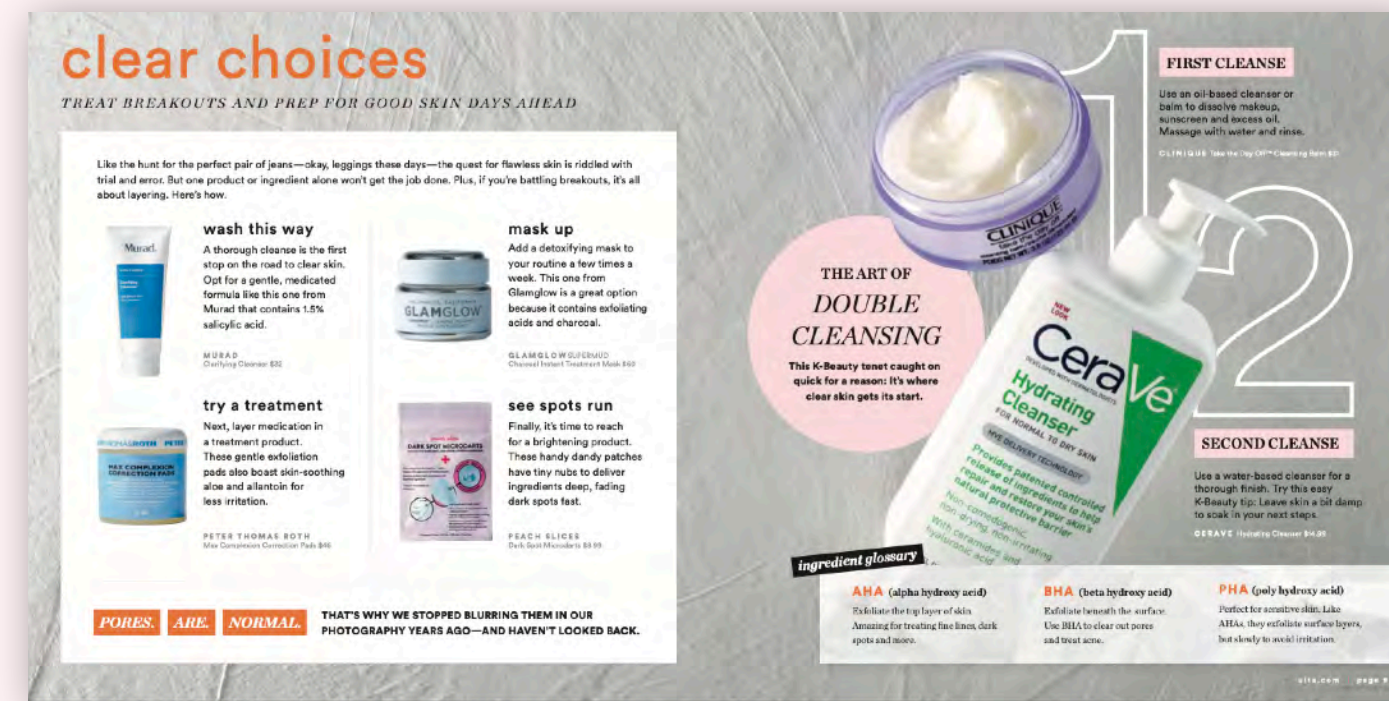
THE DESTINATION FOR BEAUTYTAINMENT

Entertainment + Expertise + Commerce
Creator-led. Community-driven. Beauty, always.

Amplify our Ulta Beauty creator community

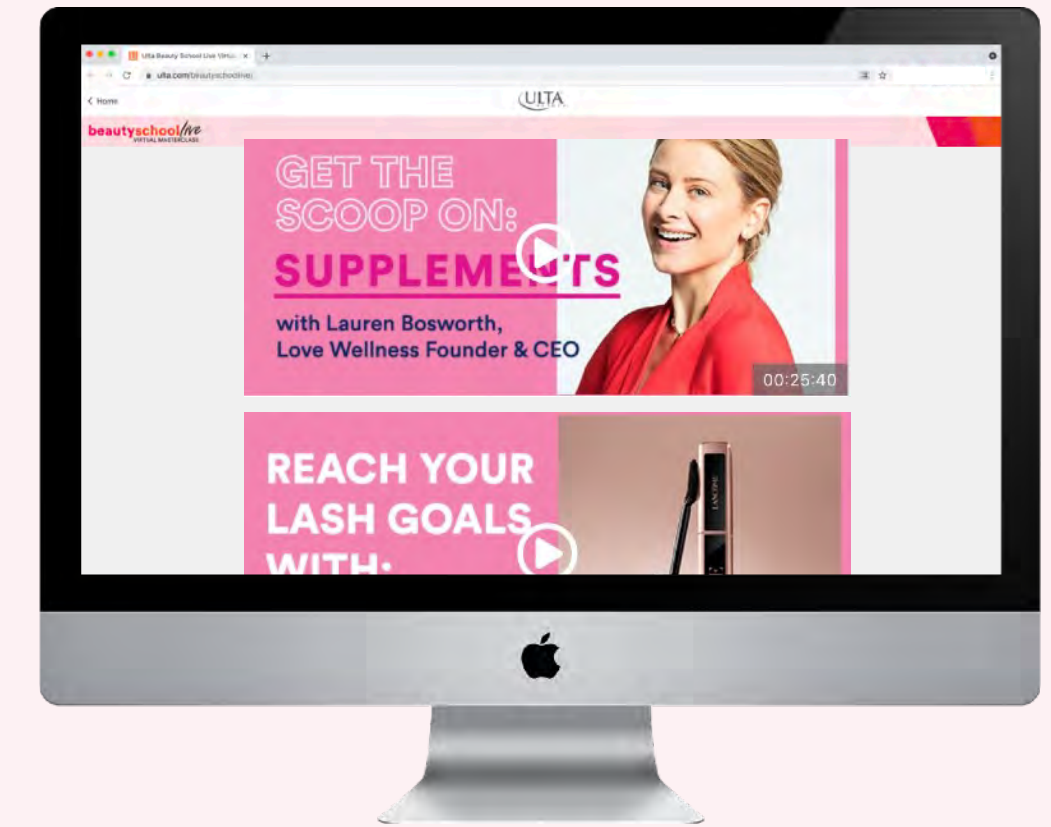


Expand as a content publisher



Accelerate live streaming and social selling

beautyschoollive
VIRTUAL MASTERCLASS



ULTA BEAUTY x SUPERGREAT



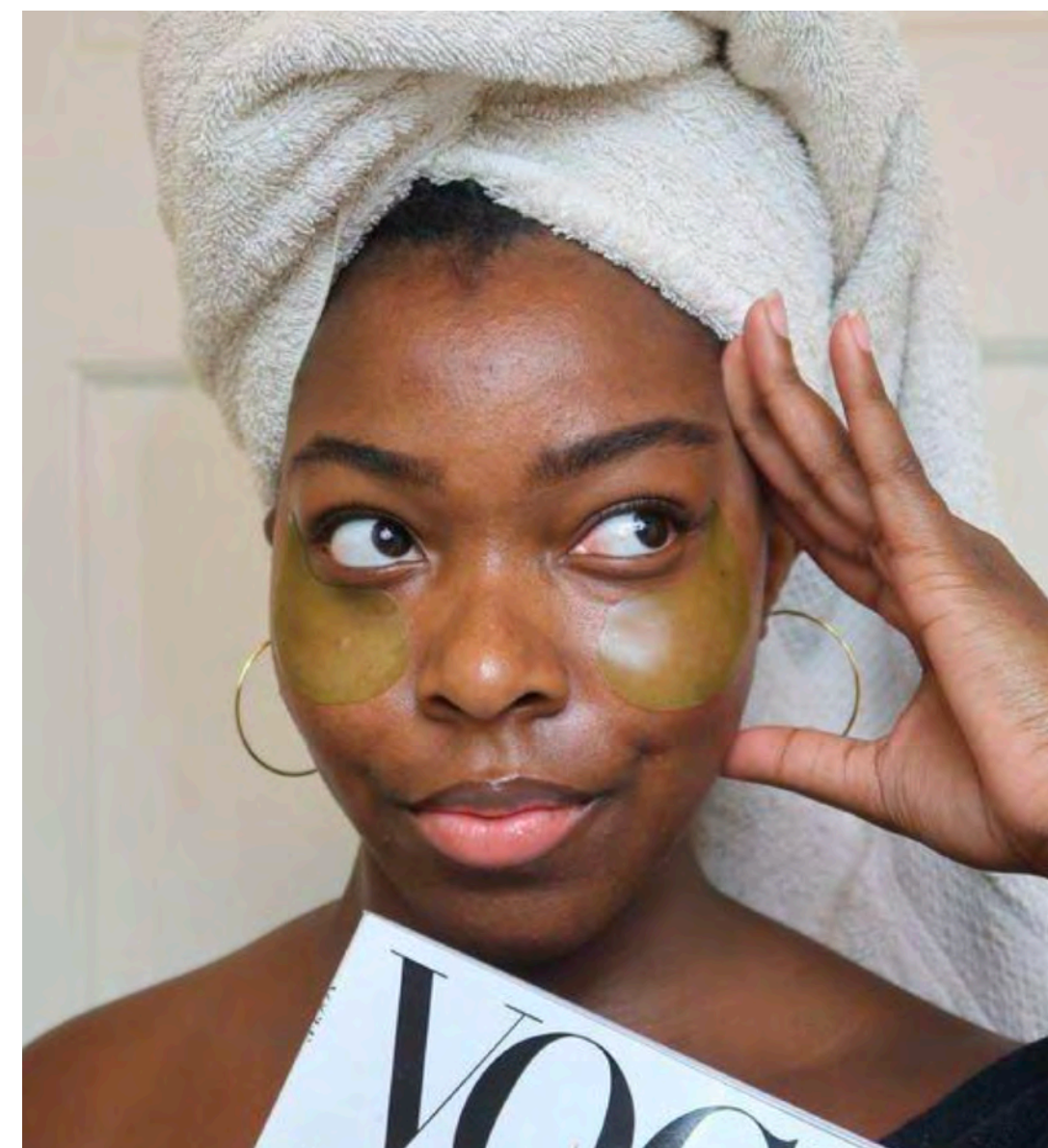
Dear beauty industry,

There are so many thoughts and emotions that run through us whenever we think of you. Some days it's a loving relationship. But as a POC/dark skinned, your portrayal of beauty has made us feel inferior. Examine your internal biases. Examine why you have them. You are so powerful, so influential! Use your power to make a difference. Make us feel included. Let's redefine beauty and rebuild people's confidence and pride in being racially different. It will be a window into your strong ethics.

Sincerely,
Divya, Karla and Tiosa



connecting
with
KEY CONSUMERS

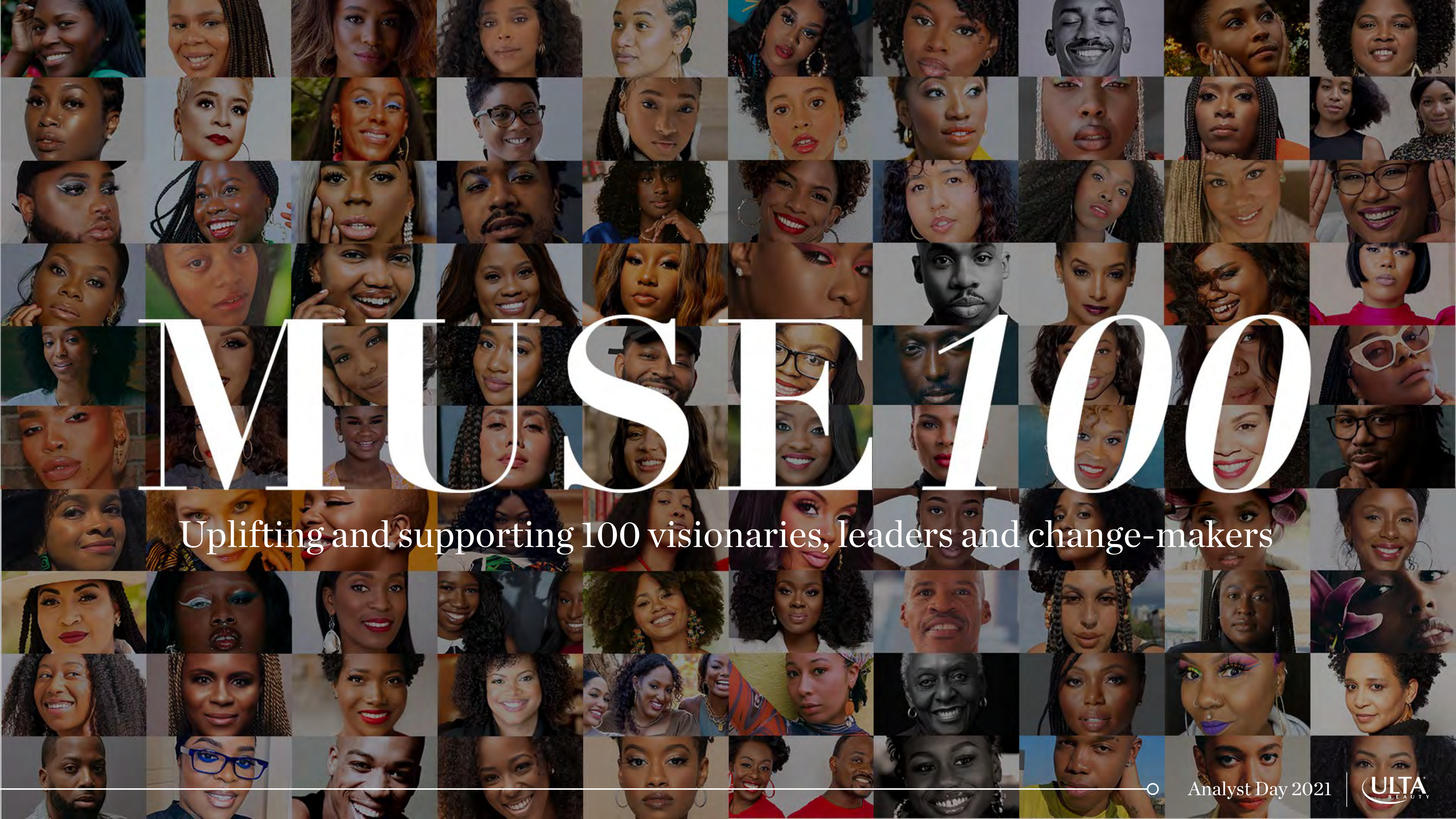




MUSE

Magnify / Uplift / Support / Empower

A program that celebrates, elevates & empowers the Black beauty community to help drive access & equity in the beauty industry.



MUST SEE 100

Uplifting and supporting 100 visionaries, leaders and change-makers

11.
@moodygyal

ulta's reward system is the goat fr when it comes to beauty

5:58 PM · Sep 5, 2021 · Twitter for iPhone



makayla marie
@makaylaxmarie_

Saved over \$80 on a \$200 total at ulta today with my reward points and that's what I call a good shopping trip.



Ultamate
REWARDS®
where beauty *loves* you back.

Kierre Ariele ✨
@baddiekaay_

I love being an Ulta platinum rewards member 🤪 my points be crazy 🤪

4:40 PM · Jan 11, 2021 · Twitter for iPhone



A decade of innovation fueling our *growth*

2010

Re-staged programs to create Ultamate Rewards



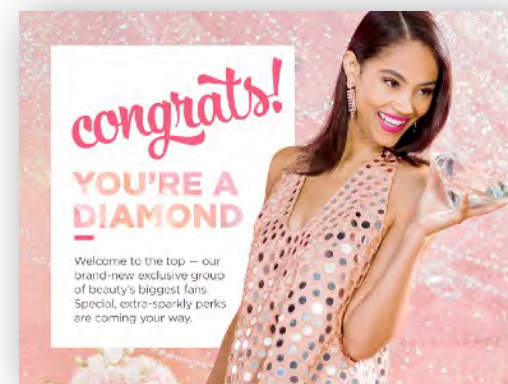
2016

Launched the Ultamate Rewards Credit Card



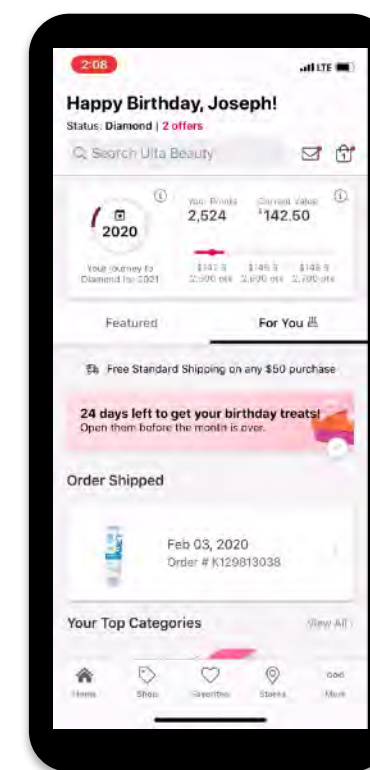
2018

Launched the Diamond tier



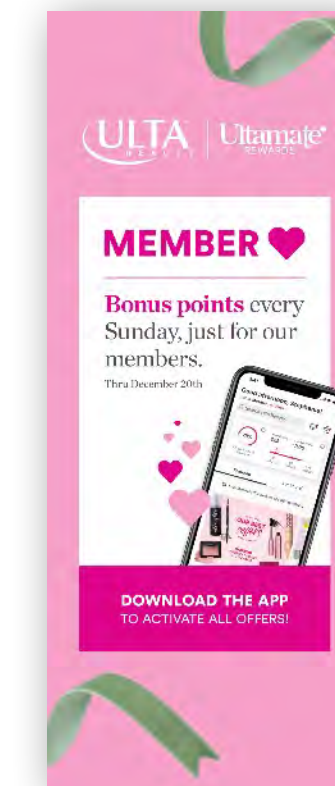
2019

Released our loyalty-focused mobile app



2020

Launched Member Love to re-engage and re-connect



2021

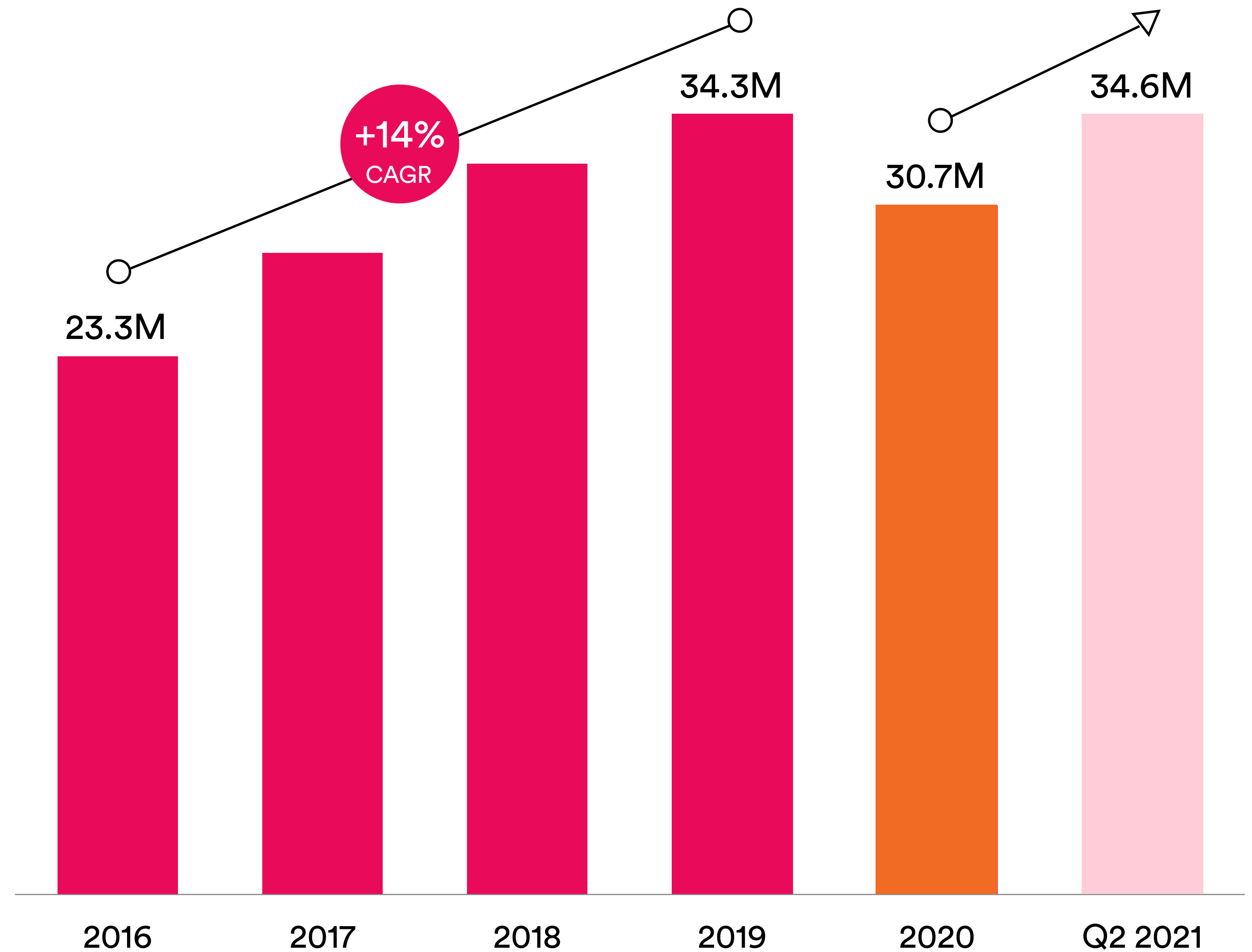
Introduced Ulta Beauty at Target



Ultamate
REWARDS®
where beauty *loves* you back.

34.6M
loyalty members

*an amazing recovery
from 2020*



Continue to drive *loyalty* innovation



Amplifying
points +



Unlocking meaningful
experiences



Inspiring
Gen Z

Unleashing the power of data as a competitive advantage

~95%
of total sales



The Personalization Capabilities Journey

CREATE FOUNDATION

2018-2019

- Stood up cloud, single source of member data
- Integrated QM Scientific and Quazi™
- Built 2-way conversation platform

Benefit:

Scaled marketing tech stack

BUILD AND EXPAND

2020

- Integrated recommendation engine
- Implemented offer optimization
- Enhanced CRM platform

Benefit:

Data-led decisioning to personalize

SCALE

2021

- Activated fine-tuned algorithms
- Expanded across channels
- Embedded agile iteration and new ways of working

Benefit:

Relevancy, greater reach, flexibility, and speed

MAXIMIZE

2022+

- Amplify real and predictive decisioning
- Expand guest signals
- Personalize content and experiences

Benefit:

Dynamic content with contextualized experiences

Scaling: Stronger and smarter *lifecycle* strategies

acquisition

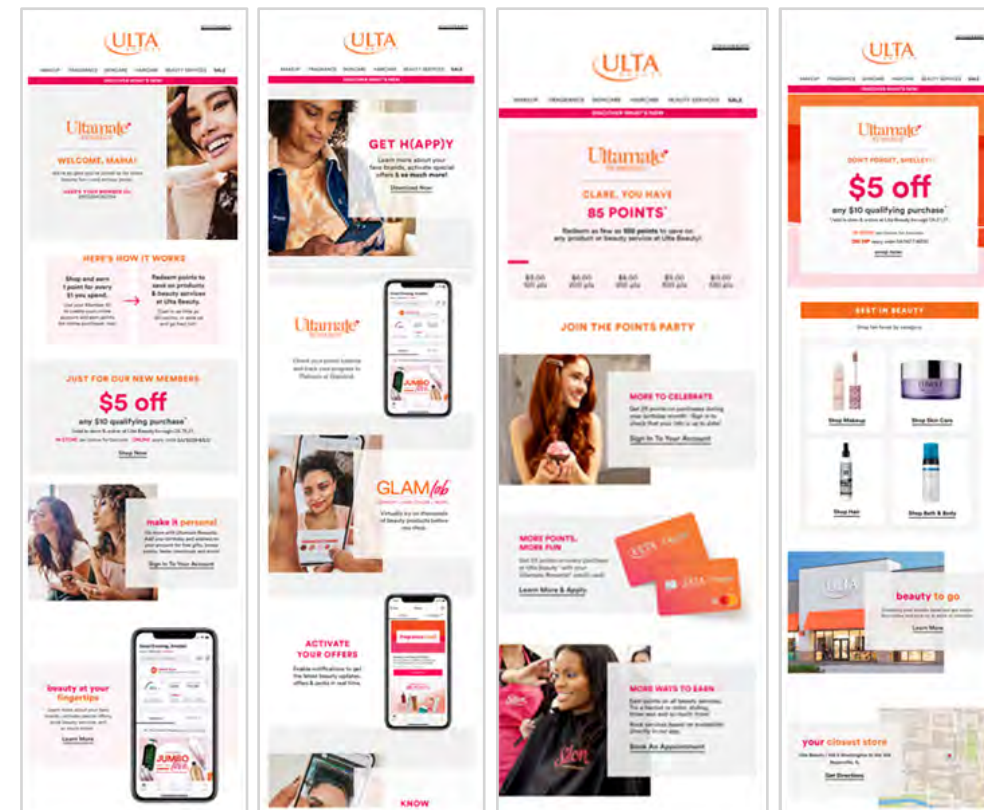
Targeting high-value Beauty Enthusiasts



Offer placement to reach

on-boarding

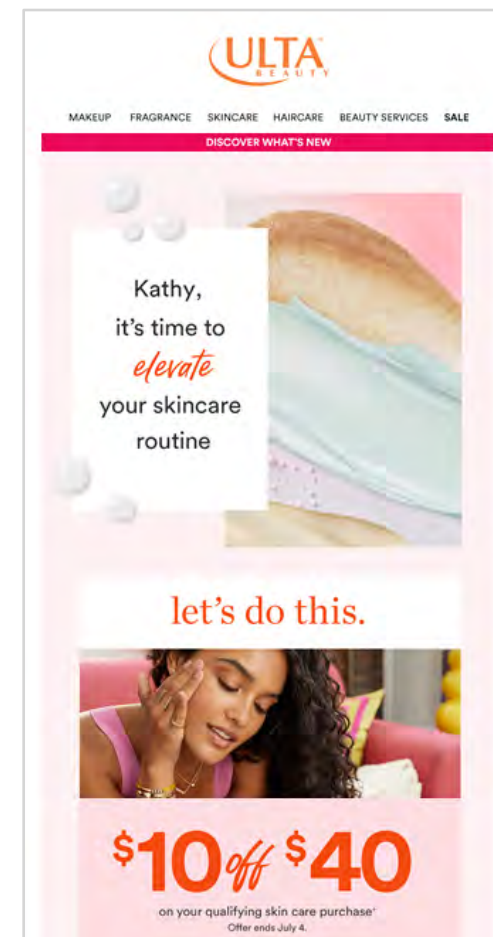
Nurturing the new member



Dynamic content series to promote tailored discovery

engagement

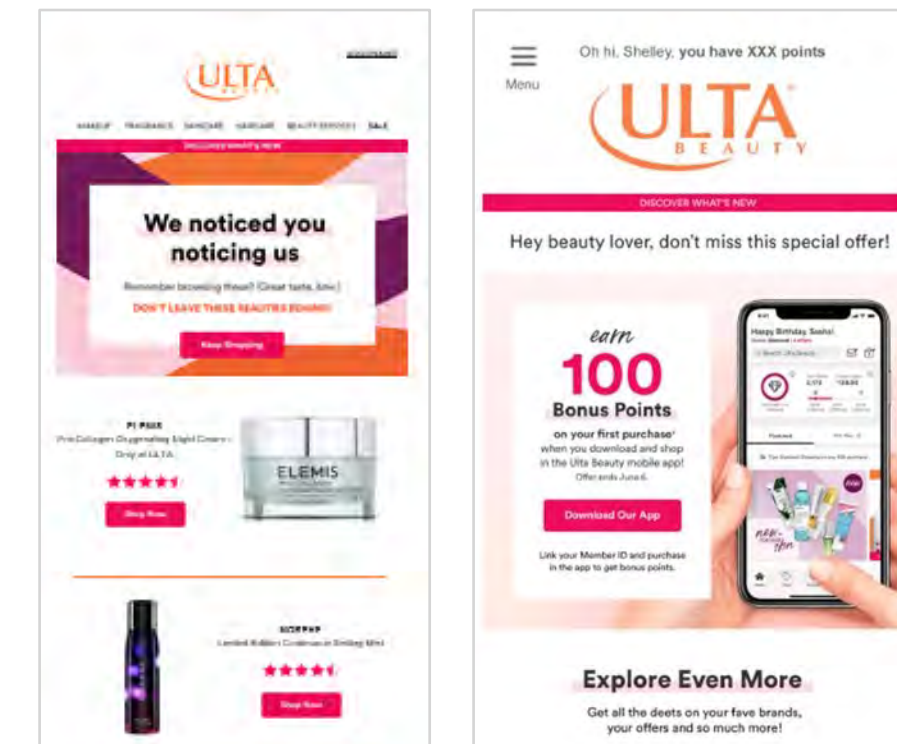
Category penetration and offer selection strategies



Next best category introduction

retention

Managing off-cycle behaviors

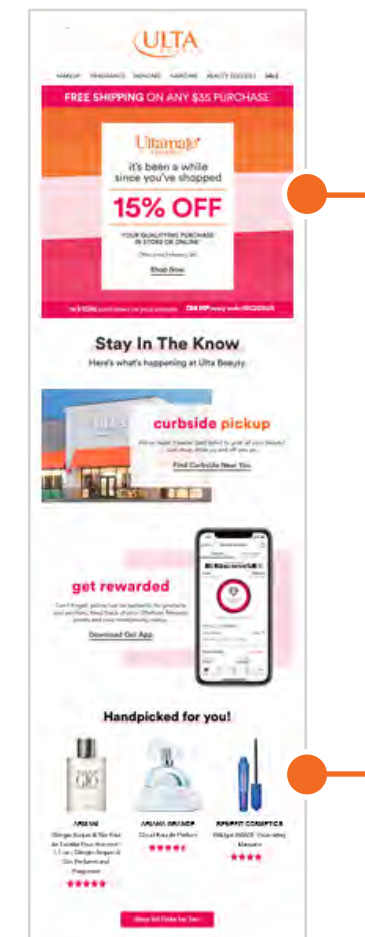


Triggered based upon browsing

Tailored messages to drive engagement

win back

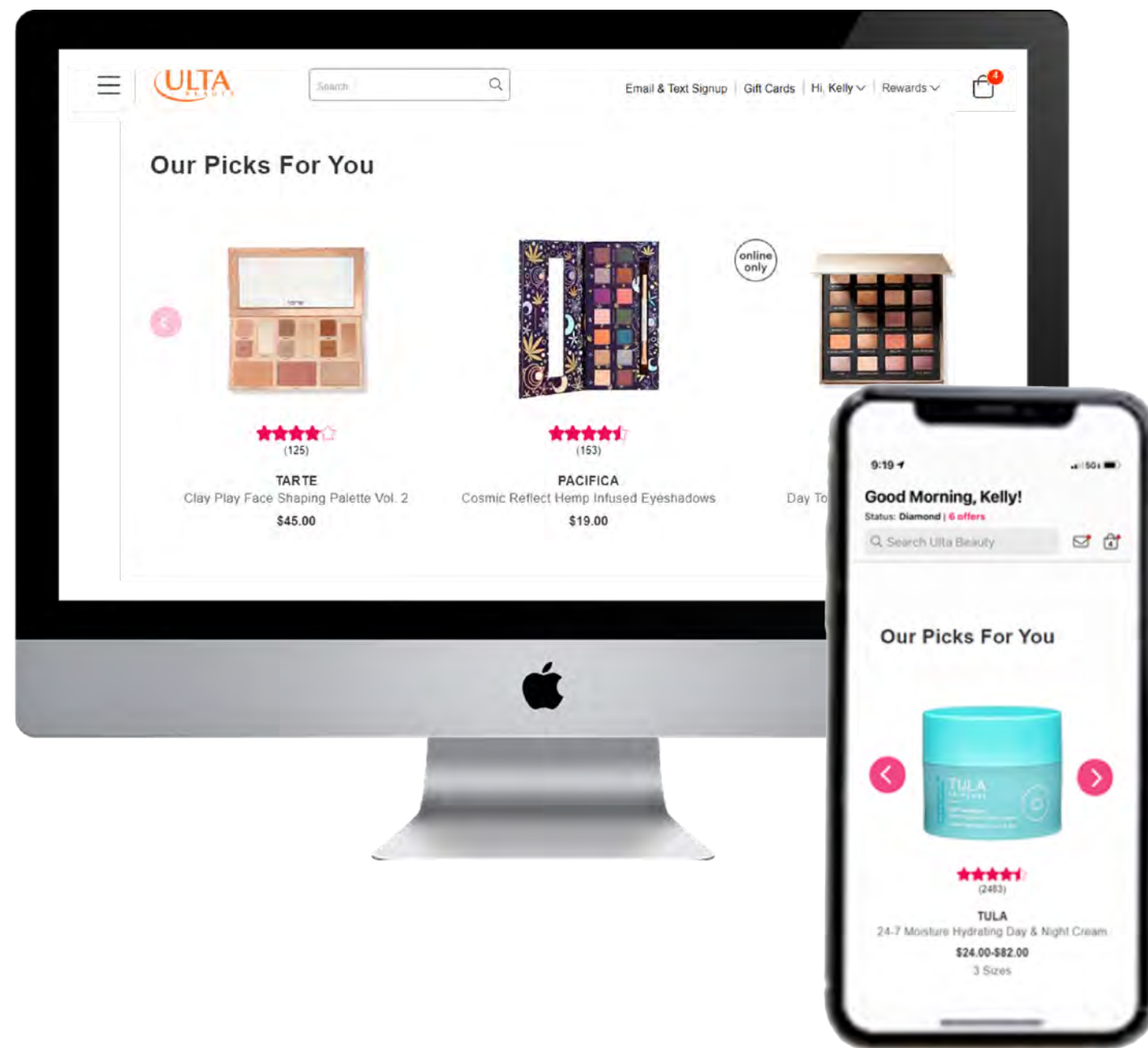
Reactivating high-value members



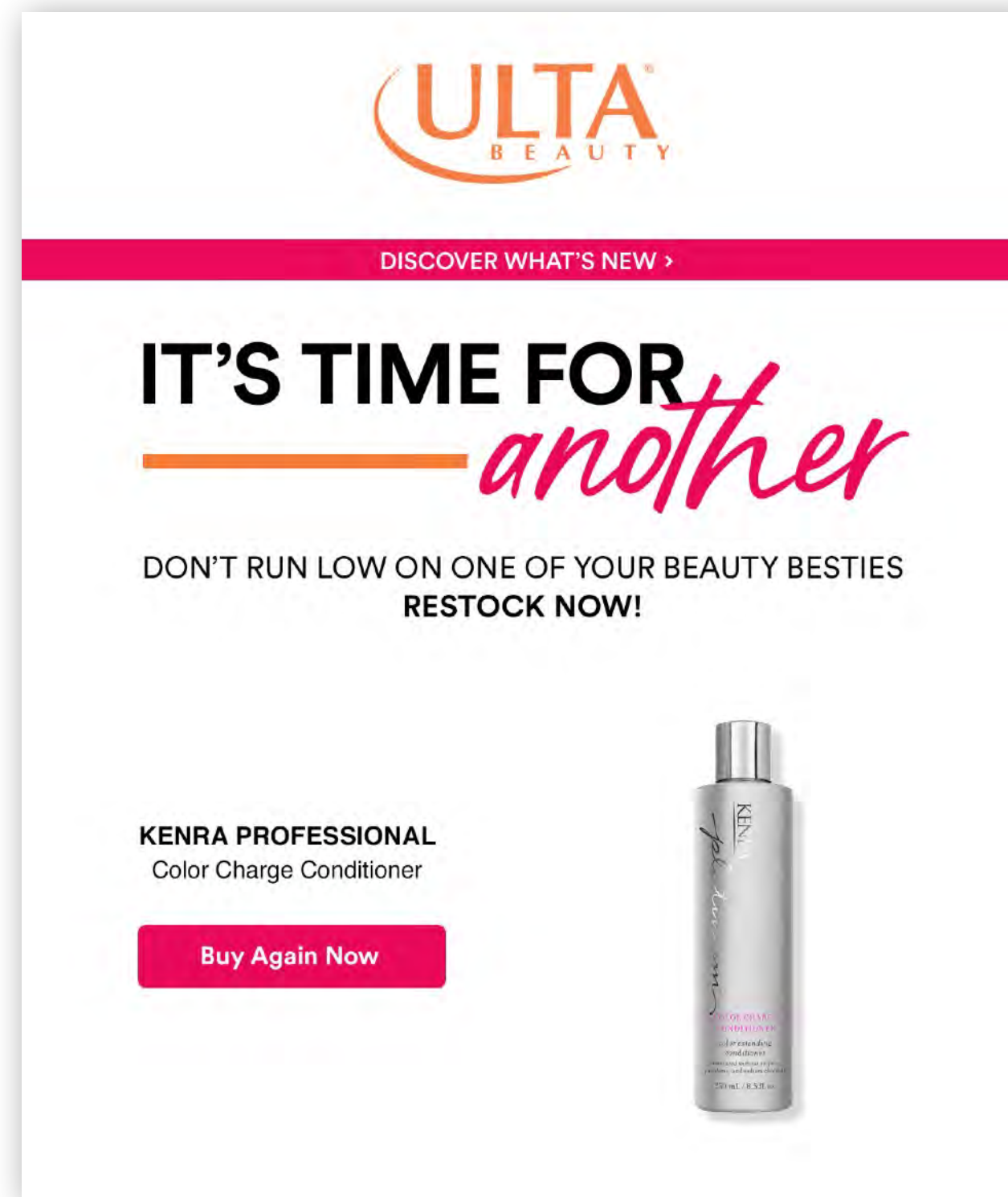
Right offer + handpicked recommendations

Scaling: Ways to inspire the *purchase*

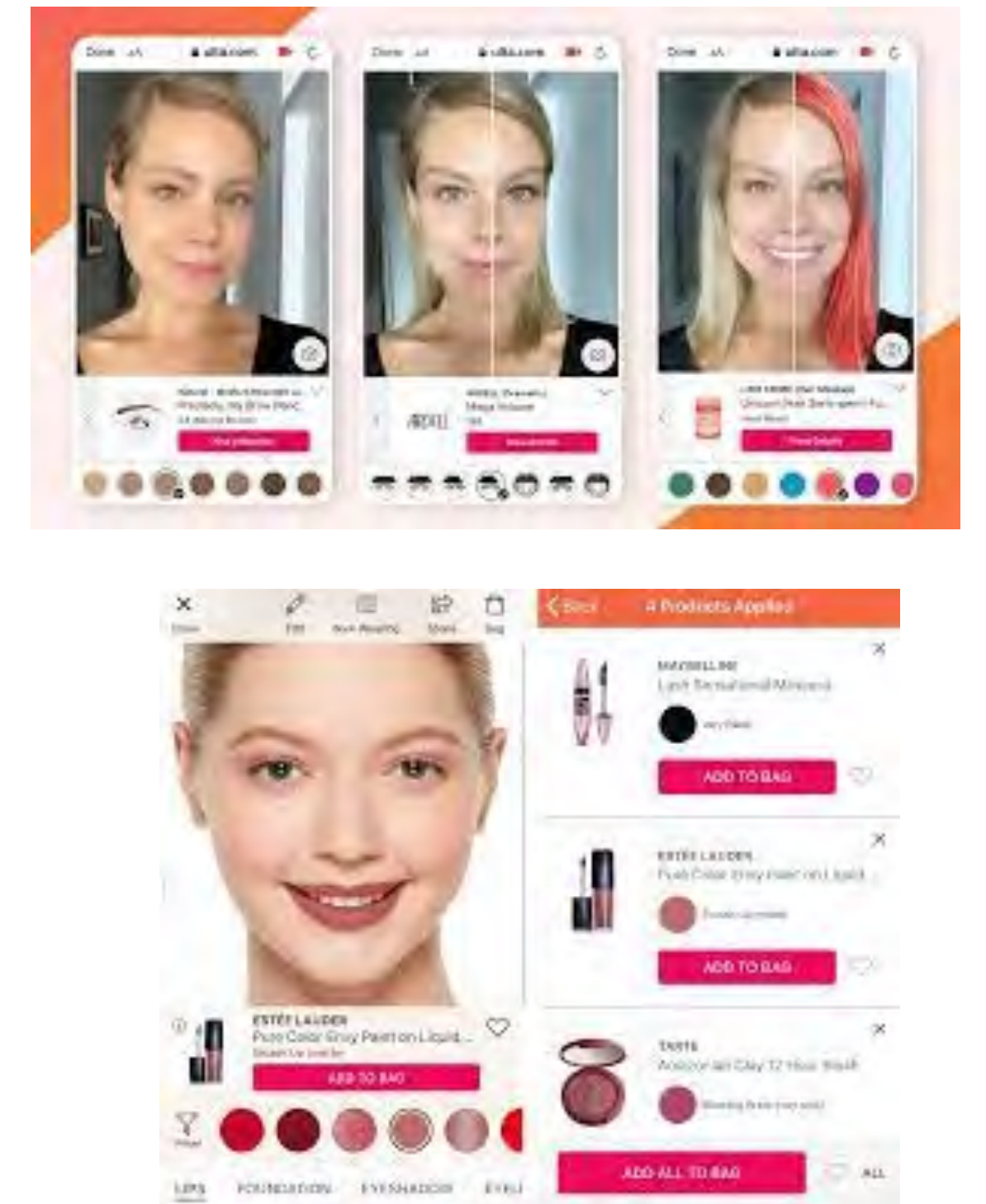
Recommendations tailored to drive incremental sales lift



Replenishment reminders to drive routine purchases



Experiences to promote discovery and new product trial



Scaling: Ways to maximize business *returns*

SMARTER DIRECT TO HOME

Offers optimized for response and lifetime value

- Circulation optimization
- Offer optimization to maximize margin
- Targeting print to drive member engagement



become the unparalleled growth partner in the beauty industry

**BUILDING A BEAUTY ECOSYSTEM TO BECOME THE PLACE WHERE BRANDS COME TO GROW –
WORKING CLOSELY TO CRAFT STRATEGIC MARKETING,
GIVING OPPORTUNITIES TO INVEST,
AND UNIQUELY LEVERAGING OUR ASSETS TO JOINTLY DRIVE OUR BUSINESSES**

simple | strategic | scalable | flexible | measurable | actionable

Welcome to

UB MEDIA

Audiences. Insights. Connection. Growth.

Harnessing the unmatched power of
Ulta Beauty data

To transform the way brands connect
with beauty lovers



KEY *takeaways*

- We will **drive our brand purpose** platform and create THE **destination for beautytainment**
- We will deepen our **connection with key consumer targets** in meaningful ways
- We will maximize the **power of personalization** and deliver **Ultamate Rewards** to drive guest love & loyalty
- We will **launch UB Media** to give our brand partners **new ways to invest** while creating a **new revenue stream** for Ulta Beauty





Operational Excellence and Optimization

Analyst Day 2021



Operational excellence priorities

1

continuous
improvement

2

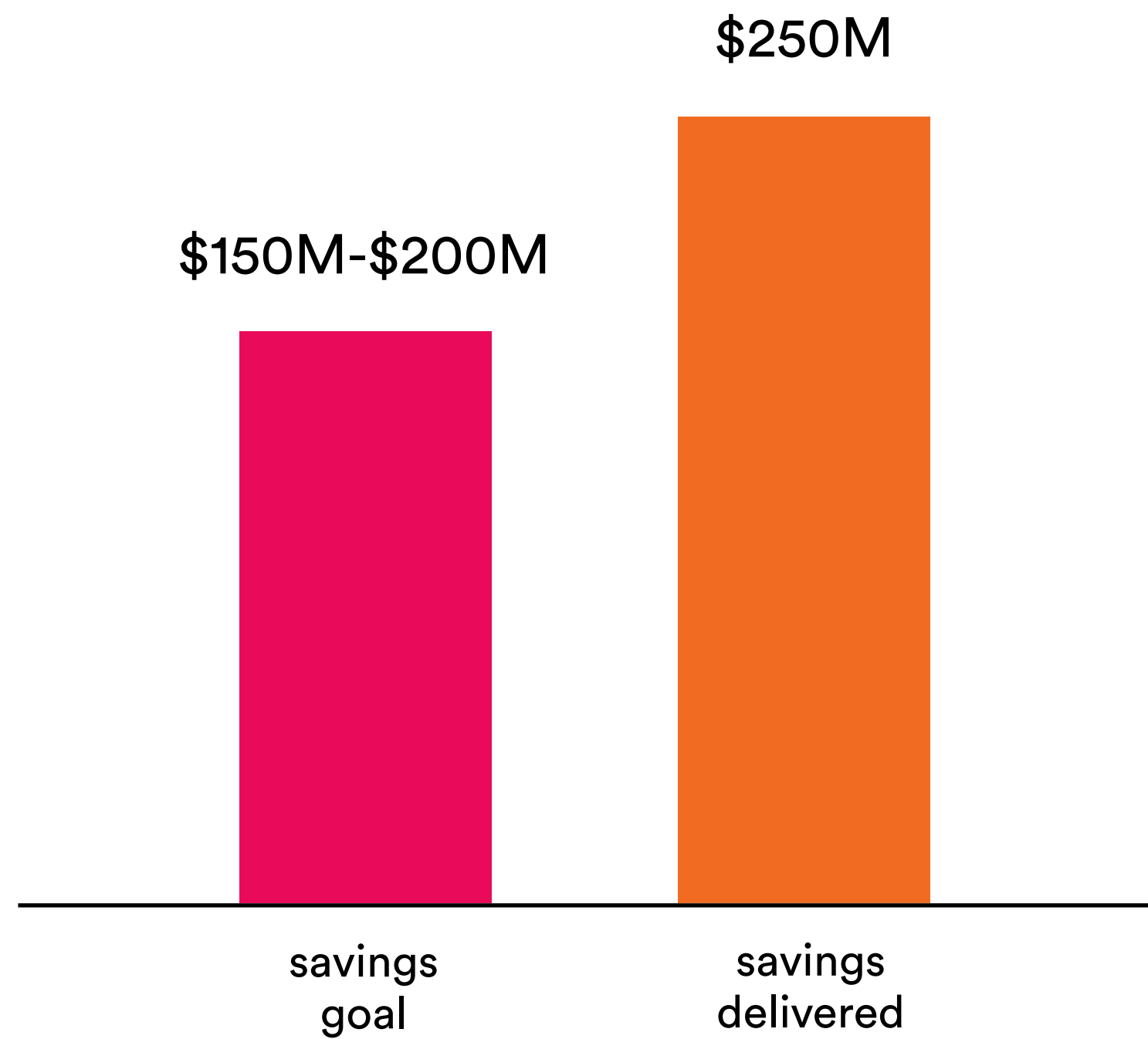
SOAR
Strengthen • Optimize • Accelerate • Renew

3

supply chain
optimization

Efficiencies for Growth (EFG)

2019-2021 Savings



category
performance
improvement

indirect
procurement

end-to-end
operations

real
estate

from

function-focused approach

(efficiencies for growth)

to

**enterprise mindset and
expanded capability with our
Continuous Improvement
Center of Excellence**

2022 - 2024 Goal

\$150M - \$200M

in total operating margin impact

Delivering operating margin expansion

Expand merchandise margin while we curate the assortment

category
management

Maintain a “profitability mindset” in category teams and work with our brand partners to improve profitability and productivity goals

Improve profitability while we deliver relevant promotions for our guests

promo
optimization

Enhance profitability and relevancy of promotional events through technology and process improvement

Make our store more shoppable and increase profitability

SKU
rationalization

Improve overall productivity by managing SKU growth and eliminating unproductive SKUs

Deliver cost and process optimization for the future

one touch
product flow

End-to-end optimization of product flow from brand to end-of-life

SOAR

Strengthen • Optimize • Accelerate • Renew

- New Enterprise Resource Planning (ERP) platform replacing legacy system
- Better, faster visibility and access to information and insights driving real-time decision making
- Accelerated processes across core operations (e.g., finance, supply chain, merchandising) allowing for greater business efficiency
- Multi-year, phased approach to minimize operational risk
- Business-led with contingencies built in to de-risk

2022 - 2024 investment

\$160M - \$180M

Operating margin benefit beginning in 2023



Supply chain optimization

Macroeconomic factors

Channel shift

Changing consumer expectations

Carrier shortages and freight surcharges

Labor pressures

Continued COVID protocols

Ulta Beauty strategic priorities

Evolving assortment to drive newness and excitement

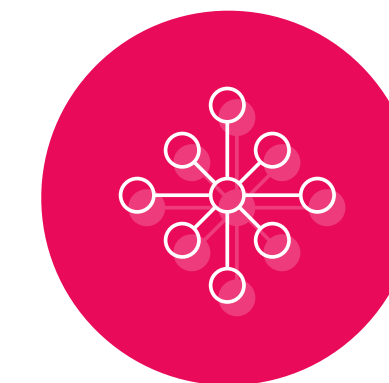
Growing store footprint

Diverse and growing customer base

Omnichannel growth

Cost optimization

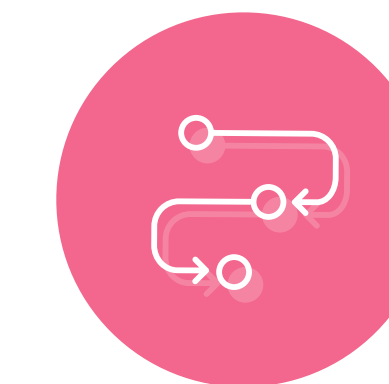
Supply chain optimization



— Network



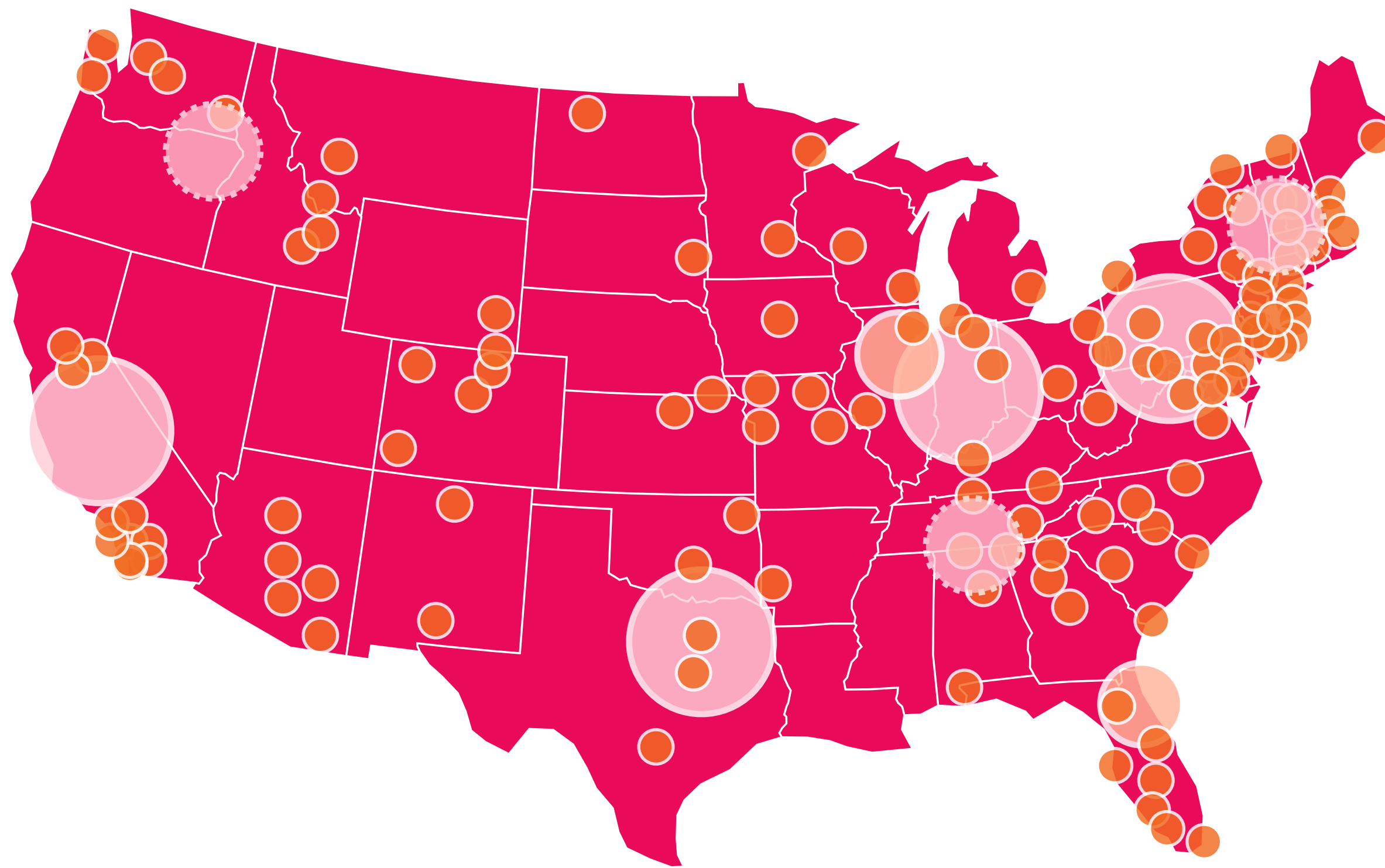
— Innovation & Technology



— Capabilities & Processes

Network

RIGHT PRODUCT | RIGHT PLACE | RIGHT TIME



Locations are illustrative only

OUR FUTURE NETWORK WILL HAVE **FOUR** TYPES OF FACILITIES

1 Regional Distribution Center (RDC)

Deliver capacity to support direct-to-store and guest fulfillment and support replenishment for other facilities

2 Fast Fulfillment Center (FFC)

Supplement network capacity and provide speed to eCommerce guests in a specific market

3 Ship-from-Store (SFS)

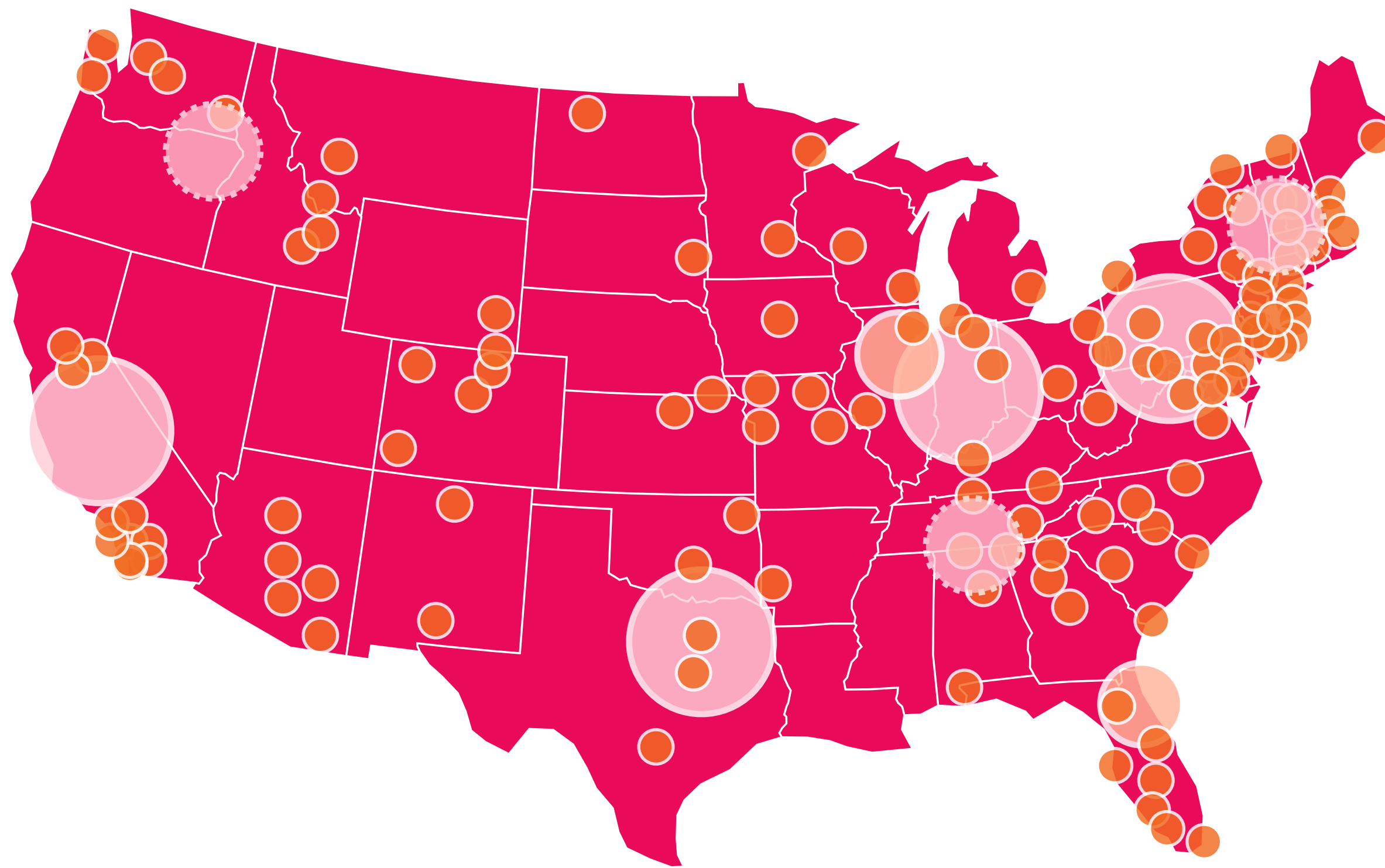
Leverage existing assets for fulfillment to supplement network capacity during peak times

4 Market Fulfillment Center (MFC)

Supplement network capacity and provide speed to stores and eCommerce guests in a specific market

Network

RIGHT PRODUCT | RIGHT PLACE | RIGHT TIME



Locations are illustrative only

OUR FUTURE NETWORK WILL HAVE **FOUR TYPES OF FACILITIES**

Our future state network uses a tailored footprint of facilities allowing us to be nimble and flexible as the business environment or consumer sentiment shifts

2022 - 2024 investment
\$250M - \$275M



Innovation & technology

Evolve technology and systems to enable new capabilities



Warehouse execution system

Optimizes product flow through the DC

2022*

Automated put walls

Automated eCommerce sorting

2022*

Inbound case sortation

Automated inbound receiving

2023*

Autonomous mobile robots

Goods to person

2023*

ASRS

Automated storage and retrieval system for reserve inventory

2023*

Residual shuttle

Automated storage and retrieval system for residual inventory

2023*

*phased by facility

Innovation & technology

Evolve technology and systems to enable new capabilities

Objectives

- Reduce cycle time
- Increase simplicity for end user
- Support business growth
- Increase efficiency
- Increase automation
- Maximize use of existing assets

Benefits

- Quality improvements
- Indirect hours savings
- Improved space and resource utilization
- Cycle time reduction
- Bottleneck reduction
- Improved safety

Capabilities & processes

Optimize processes to drive simplicity and efficiency



E2E Visibility

Establish end-to-end Supply Chain visibility with a 360-degree, 'Control Tower' view of the Supply Chain to orchestrate and action the Supply Chain



Capacity & Flow Management

Unlock and enable value of future state fulfillment network by enhancing capabilities to plan, manage, and optimize capacity and flow from vendor to guest



Vendor & Brand Partner Collaboration

Seamlessly collaborate with vendors and brand partners to work towards common objectives, deliver mutual value, and manage product flow more effectively

Capabilities & processes

Optimize processes to drive simplicity and efficiency

Objectives

- Enhance and streamline processes
- Drive operational excellence
- Collaborate with external partners
- Optimize supply chain processes
- Convert basic capabilities to advanced and leading
- Establish capability roadmap

Benefits

- Unlock value of fulfillment network innovation and technology
- Deliver on evolving consumer expectations
- Manage changes in cost structure
- Simplify in a context where complexity is increasing
- Differentiate in labor market

KEY *takeaways*

- We are elevating to an **enterprise-wide approach to optimization**
- We will **drive operating margin improvement** through category development, promotion optimization, SKU rationalization, and one touch product flow
- Through SOAR, we are upgrading our infrastructure to **increase efficiency and support future growth**
- Our **guest-centric Supply Chain** will provide **flexibility to adapt** to the changing environment



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Scott Settersten

chief financial officer

pronouns: he/him/his



Financial Outlook

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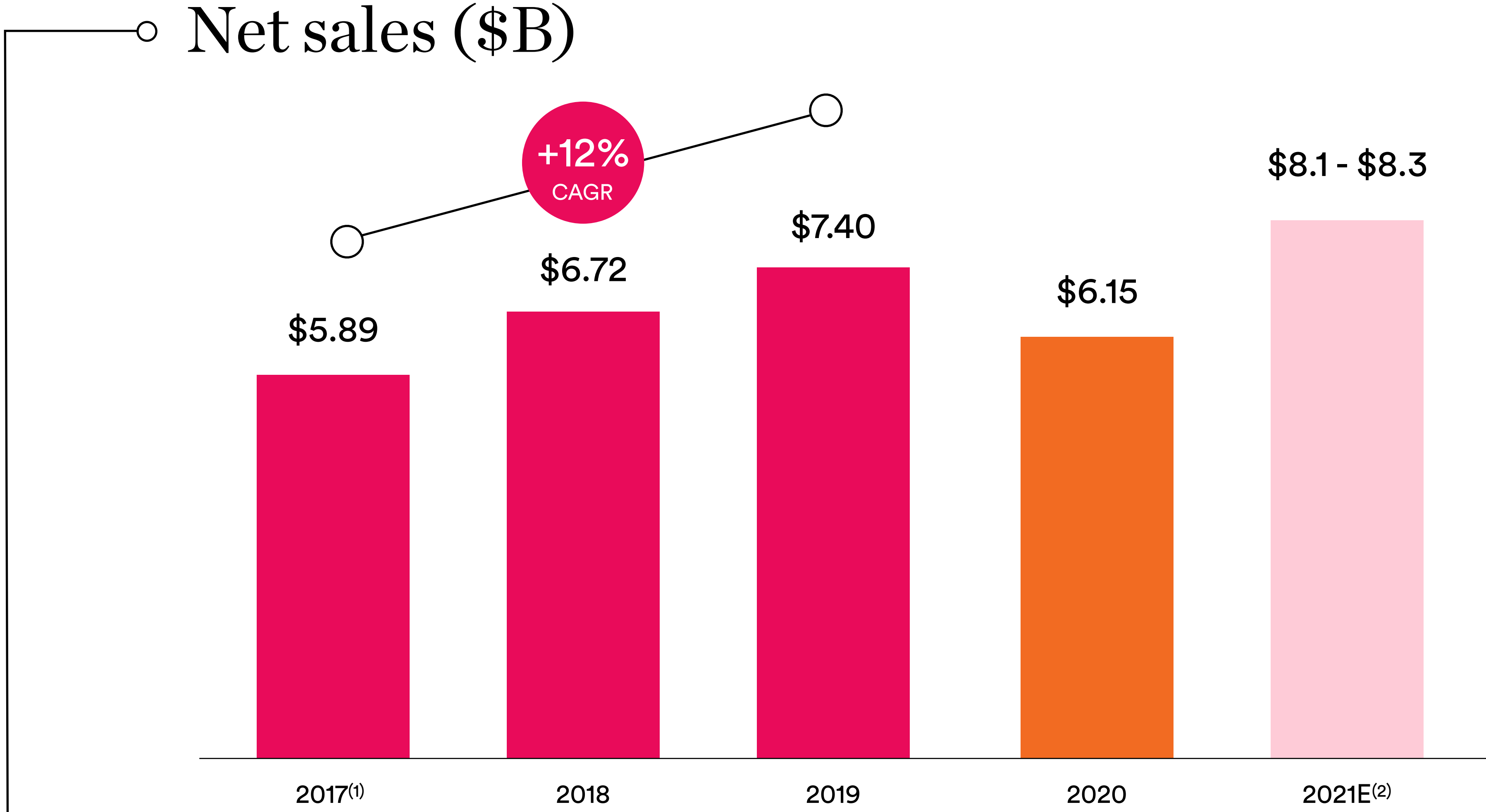
Strong history of execution; well-positioned for growth ahead

Entered the pandemic with history of industry-leading execution

Strong financial foundation and healthy balance sheet supported ability to weather the unprecedented business disruption from COVID-19

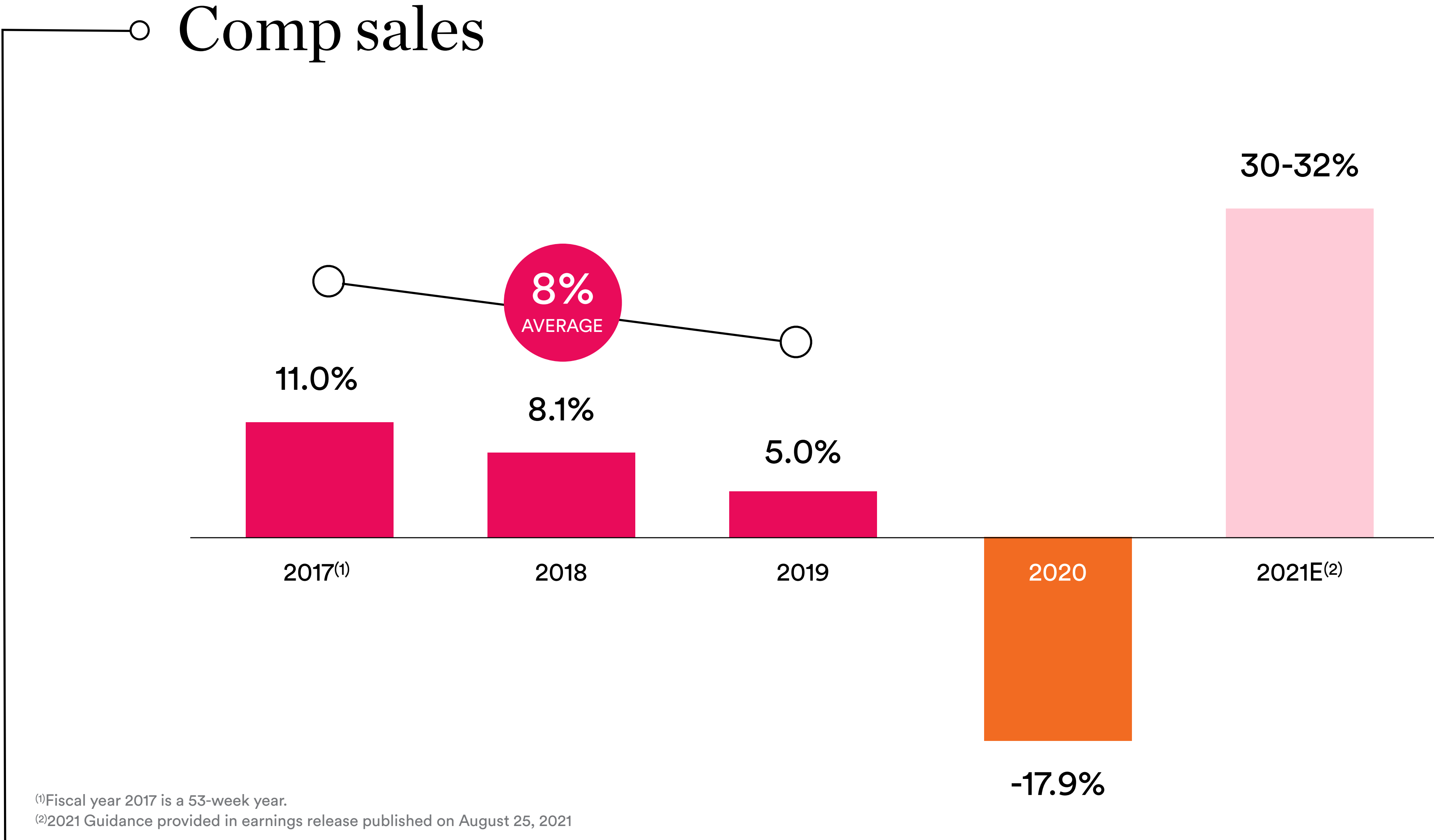
Emerging from COVID-19 a healthier business and are well-positioned to capture growth opportunities and deliver robust shareholder returns

Driving strong top line results and accelerated COVID recovery



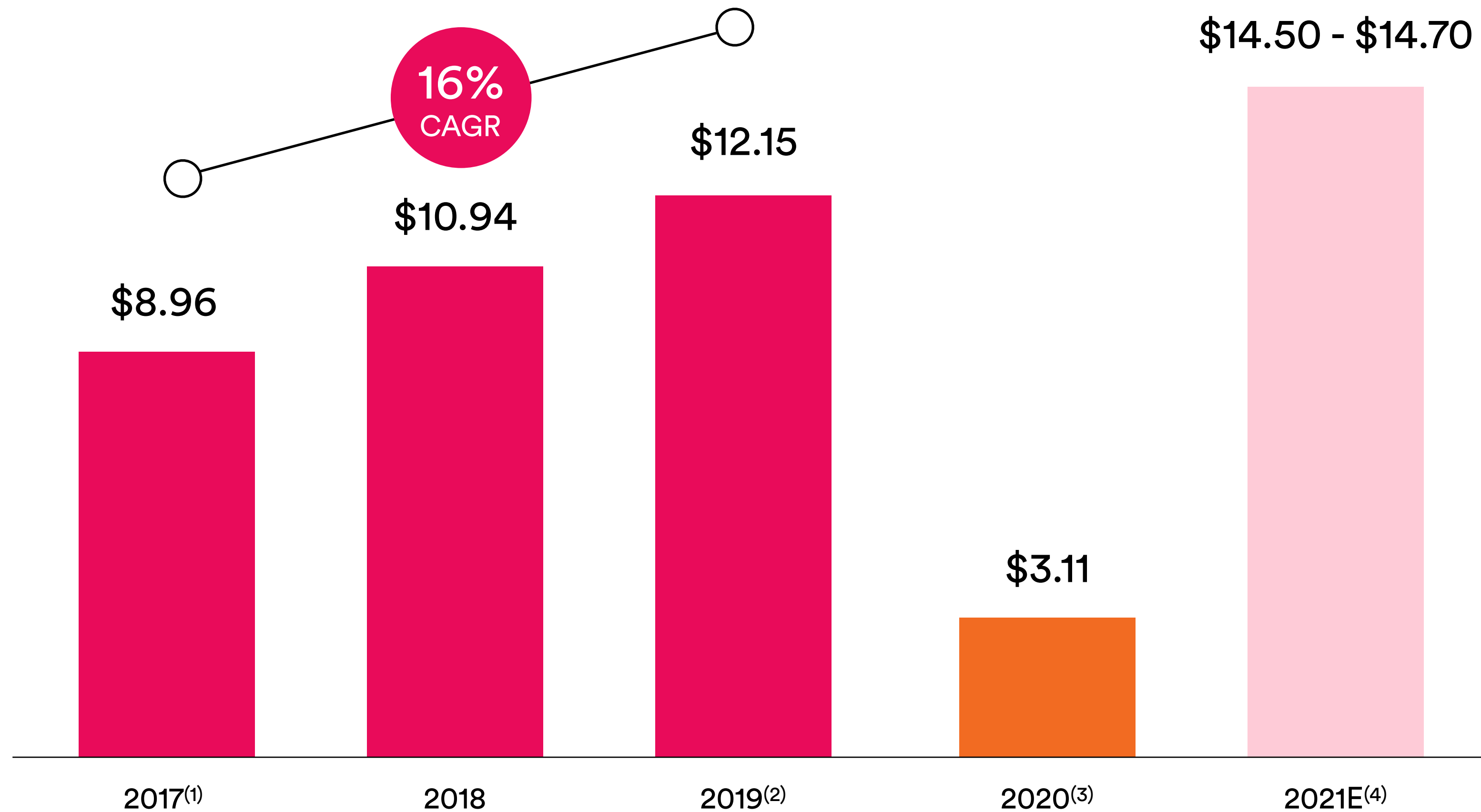
⁽¹⁾Fiscal year 2017 is a 53-week year.
⁽²⁾2021 Guidance provided in earnings release published on August 25, 2021

Driving strong comparable sales and accelerated COVID recovery



Strategic discipline driving profitable growth

Diluted earnings per share



⁽¹⁾Fiscal year 2017 is a 53-week year. 2017 adjusted EPS excludes re-measurement of net deferred tax liabilities, impact of lower tax rate in January 2018, one-time bonus for hourly associates and share-based accounting change.

⁽²⁾2019 diluted EPS includes share-based accounting change and federal income tax credits.

⁽³⁾2020 adjusted diluted EPS was \$4.66 and excludes asset impairments and restructuring related costs.

⁽⁴⁾2021 Guidance provided in earnings release published on August 25, 2021



Momentum is strong...

...but we anticipate **macro headwinds** to continue

Wage rates

Freight costs

Product costs

Consumer spending trends

Supply chain disruptions

Government regulations



FINANCIAL TARGETS 2022-2024

Net sales growth
(CAGR)⁽¹⁾

5%-7%

Operating profit
(as a % of sales)

13%-14%

Diluted EPS
(CAGR)⁽¹⁾

Low double-digit
growth

Capital expenditures
(as a % of sales)

4%-5%

⁽¹⁾Base year 2019

Note: Fiscal year 2023 is a 53-week year. Tax rate assumed at 24-25%.

○ Net sales compound annual growth

BETWEEN 5% AND 7%⁽¹⁾

reaching ~\$10B by 2024

50 net new stores per year

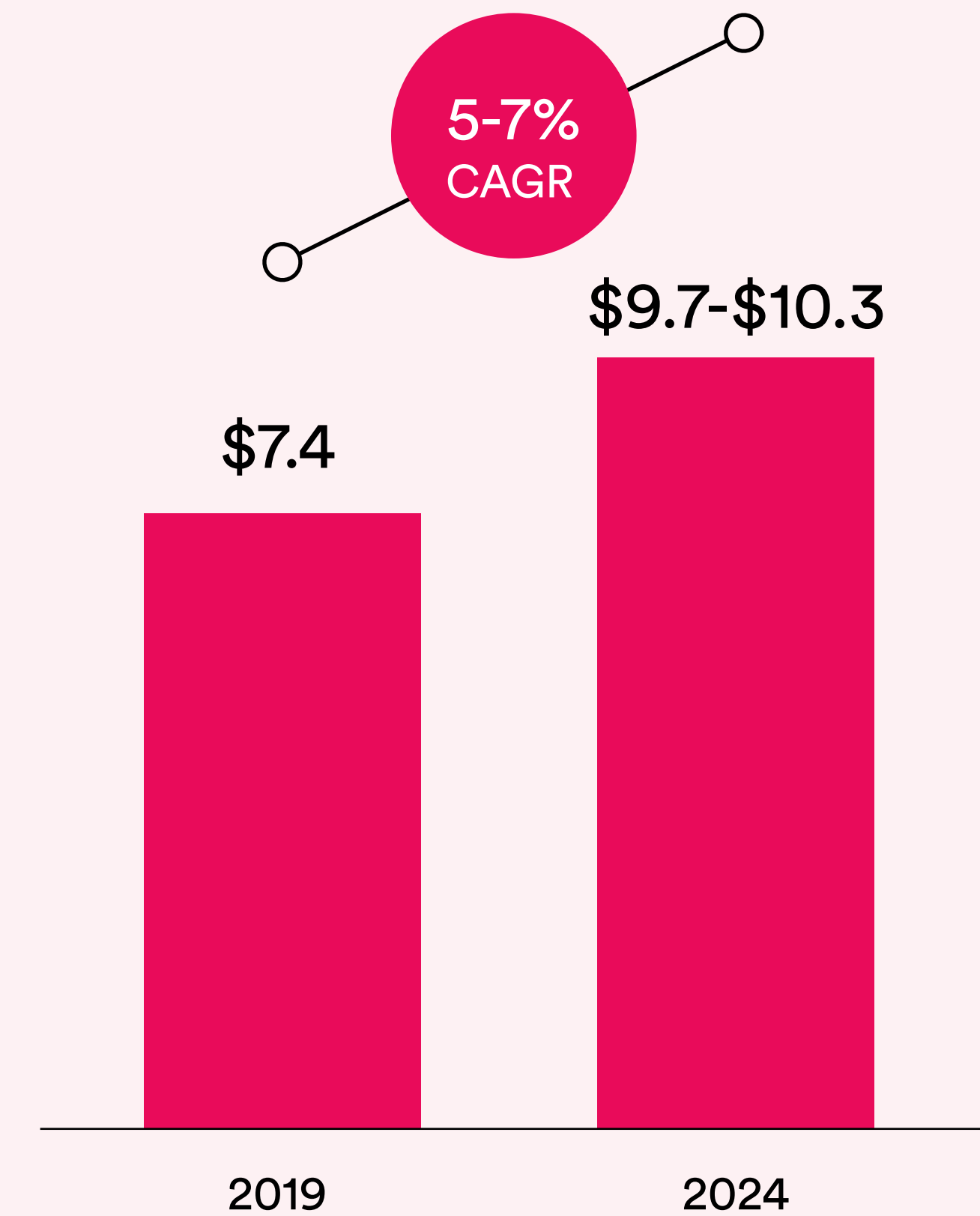
Annual comparable sales growth between 3% and 5%

- Market share growth
- Moderate growth in eCommerce penetration
- Loyalty member growth
- Higher average spend per member

New businesses including

- Ulta Beauty at Target
- UB Media

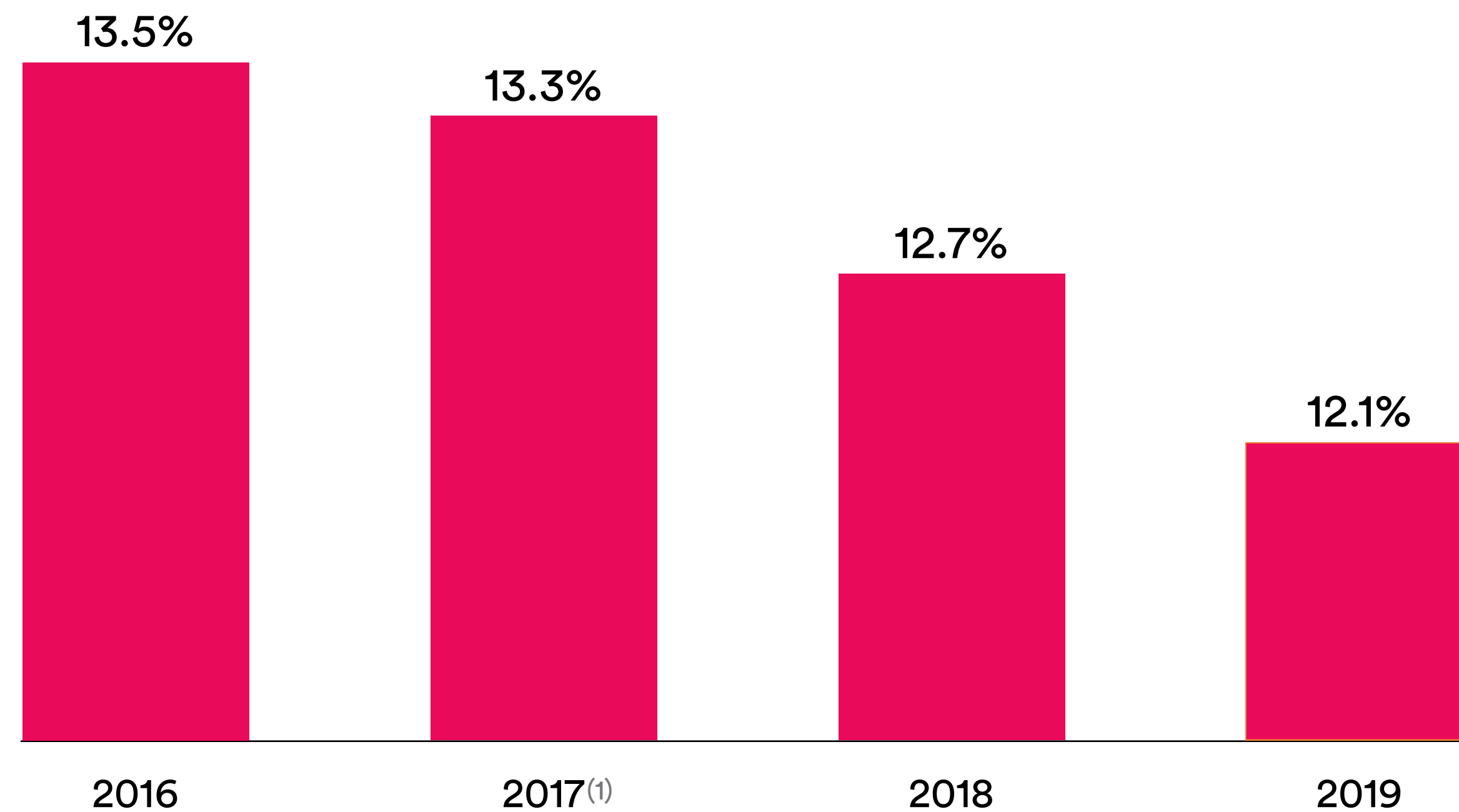
Net Sales (B)



⁽¹⁾Base year 2019. Note: Fiscal year 2023 is a 53-week year. Tax rate assumed at 24-25%.

Took action to address decelerating operating margins

Operating Profit
(as a percentage of sales)



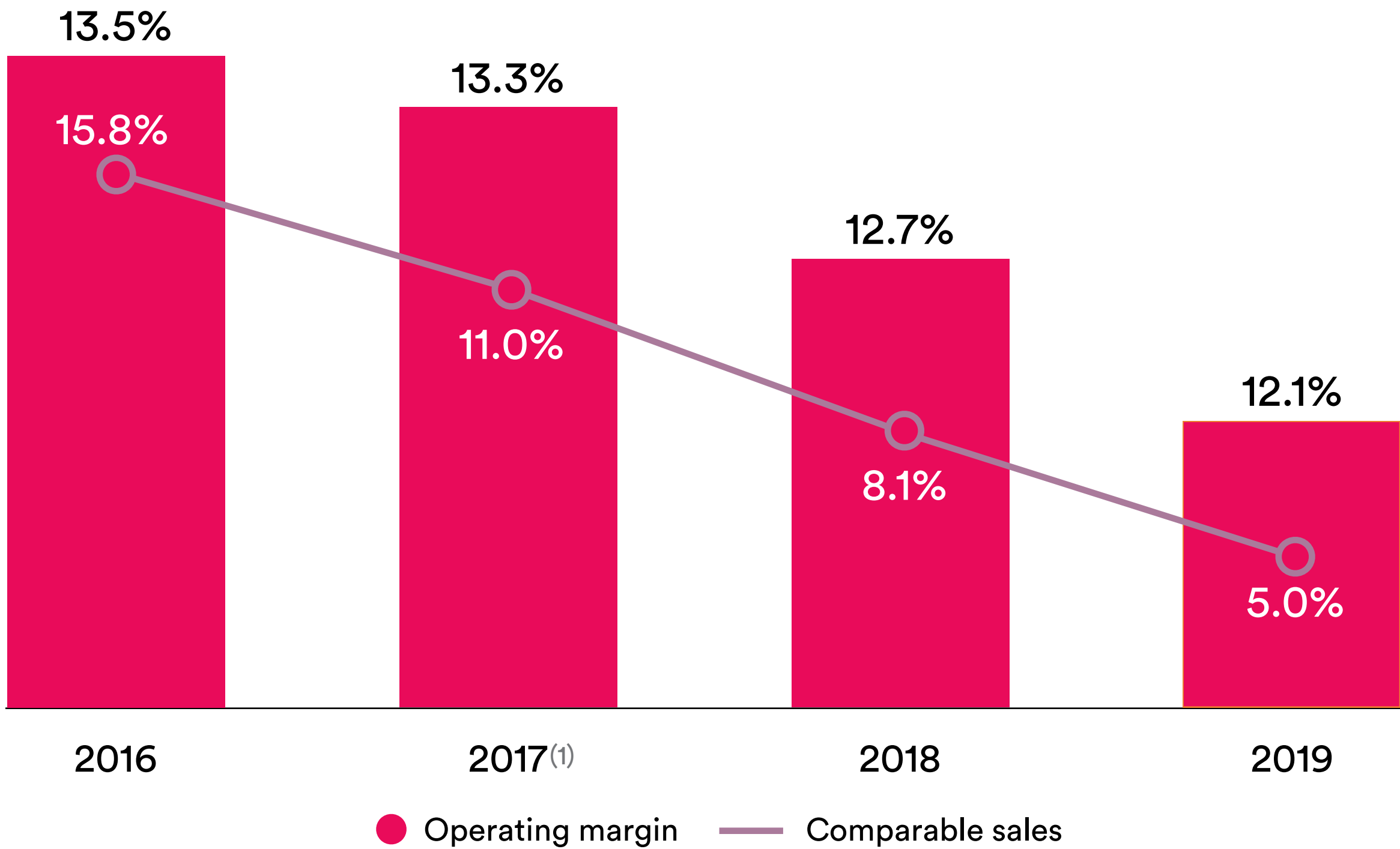
Today

- Better category margins
- Larger and more profitable eCommerce channel
- Stronger real estate portfolio
- Expanded CRM capabilities
- Right-sized our cost structure

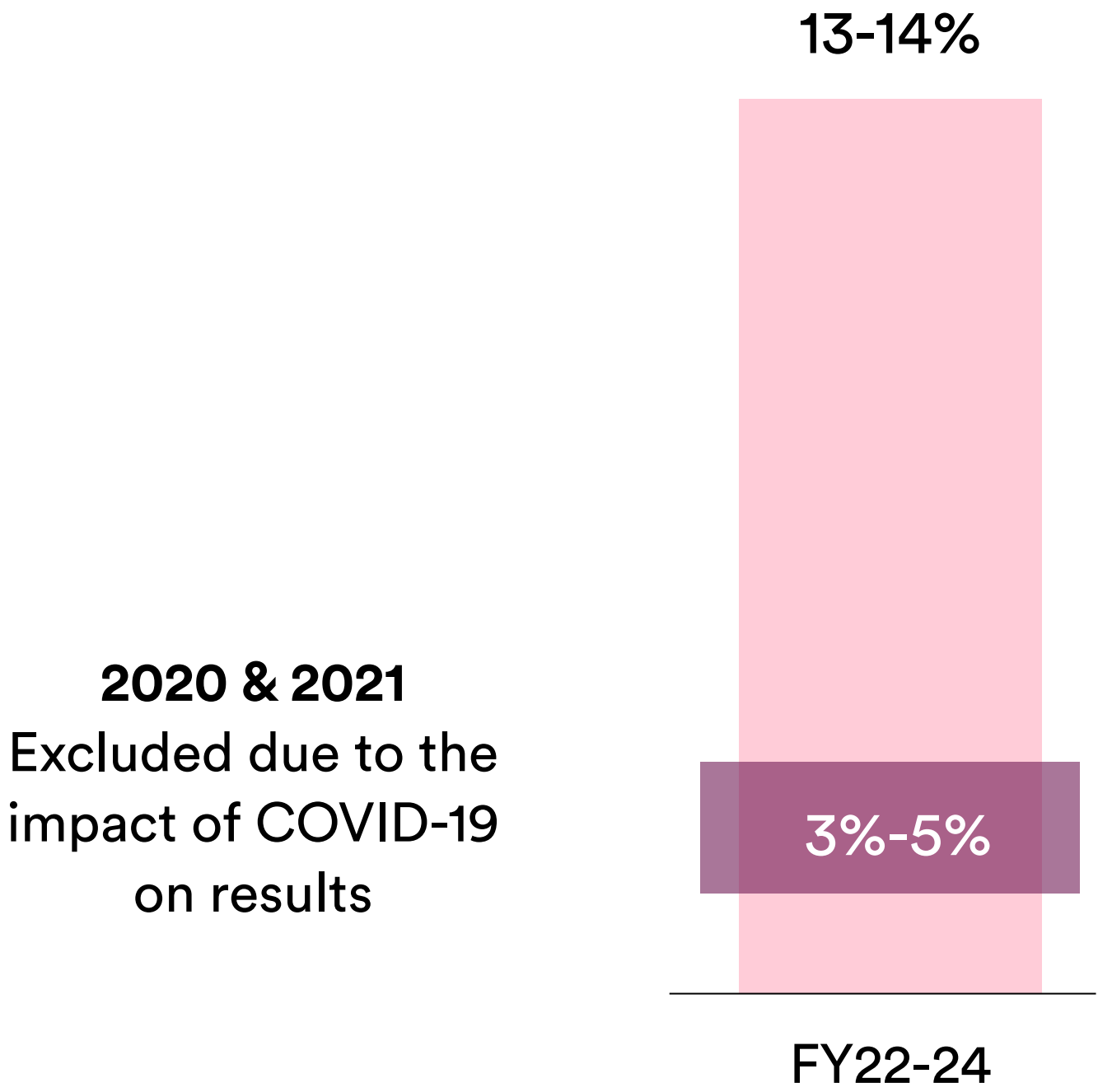
⁽¹⁾Fiscal year 2017 is a 53-week year.

Well-positioned to achieve strong operating margin on moderated top line expectations

Historical performance



FY22 -FY24 Target



⁽¹⁾Fiscal year 2017 and 2023 are 53-week years.
Note: Assumes no change to the federal minimum wage.

Operating margin outlook

Optimization efforts

Renewals and lease optimization

Promotional strategies

Category management efforts

Increasing Buy Online,
Pickup in Store (BOPIS) penetration

Continuous improvement

Anticipated headwinds

IT and supply chain investments

Increasing wage rates

Increasing supply chain costs

Select fleet experiential upgrades



Accelerated Channel Blurring

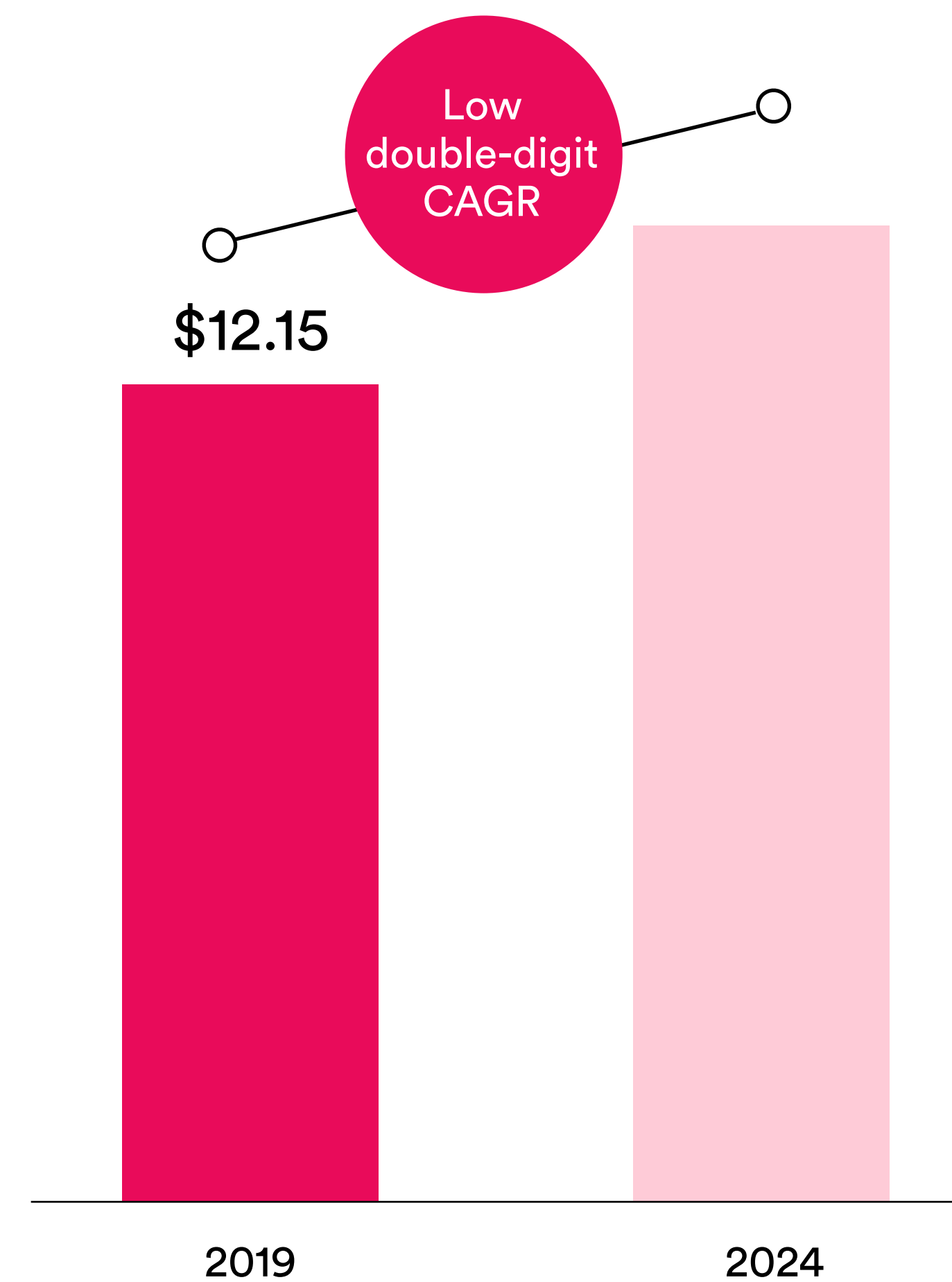
Impact by channel

| | Brick & Mortar | eCommerce |
|------------------------------------------------------------|----------------|-----------|
| Optimization efforts | | |
| Renewals and lease optimization | ++ | n/a |
| Promotional strategies | + | ++ |
| Category management efforts | + | + |
| Increasing Buy Online, Pickup in Store (BOPIS) penetration | + | ++ |
| Continuous improvement | + | + |
| Anticipated headwinds | | |
| IT and supply chain investments | -/+ | -/+ |
| Increasing supply chain costs | - | -- |
| Increasing wage rates | -- | - |
| Select fleet experiential upgrades | - | n/a |

Diluted EPS

LOW DOUBLE-DIGIT compound annual growth⁽¹⁾

- Net sales compound annual growth between 5% and 7%⁽¹⁾
- Operating margin between 13% and 14% of sales
- Minimal interest impact
- Tax rate between 24% and 25%
- Share repurchase to contribute approximately 3 to 4 points of EPS growth annually



⁽¹⁾Base year 2019

Note: 2019 diluted EPS includes share-based accounting no change and federal income tax credits. Assumes no change in federal tax rates or minimum wage.



Capital Allocation

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Capital allocation **priorities**

Reinvest in the business

Store portfolio

Digital innovation

Supply Chain

IT capabilities

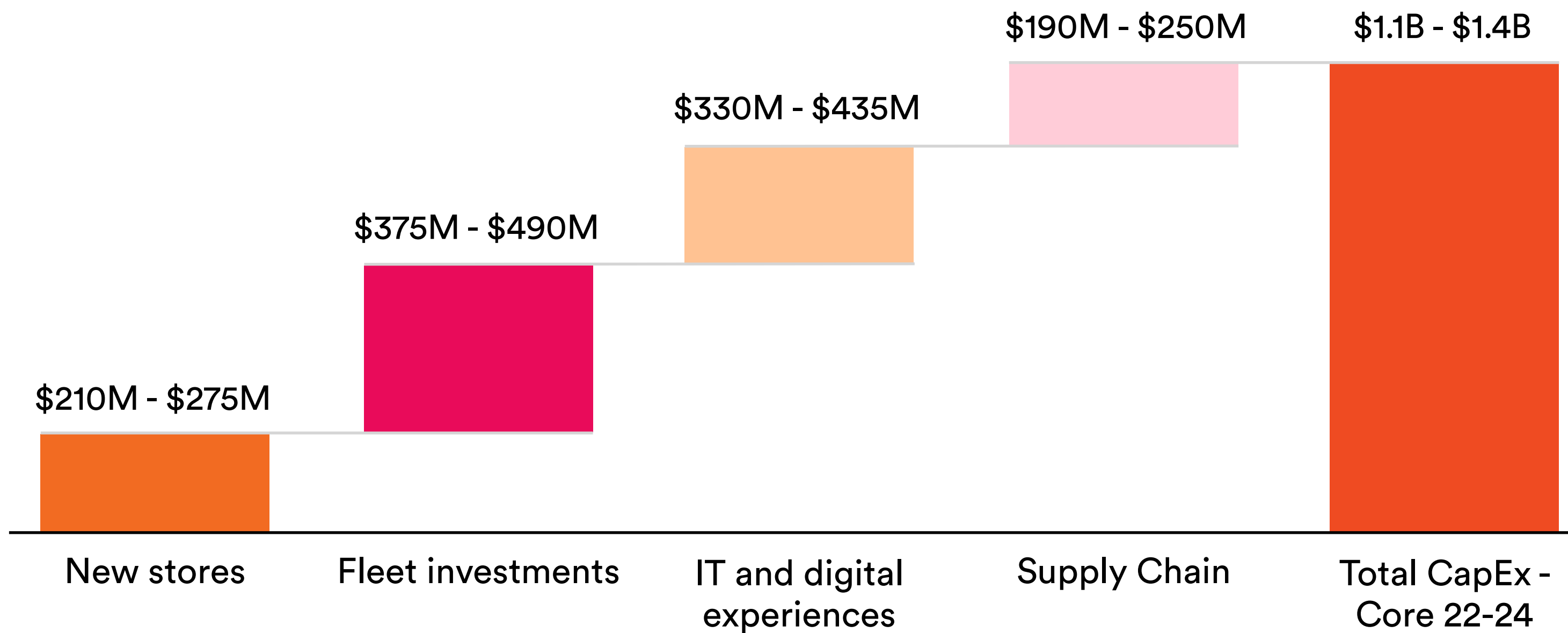
Consideration of capability-building acquisitions, investments, and partnerships

Return excess capital to shareholders

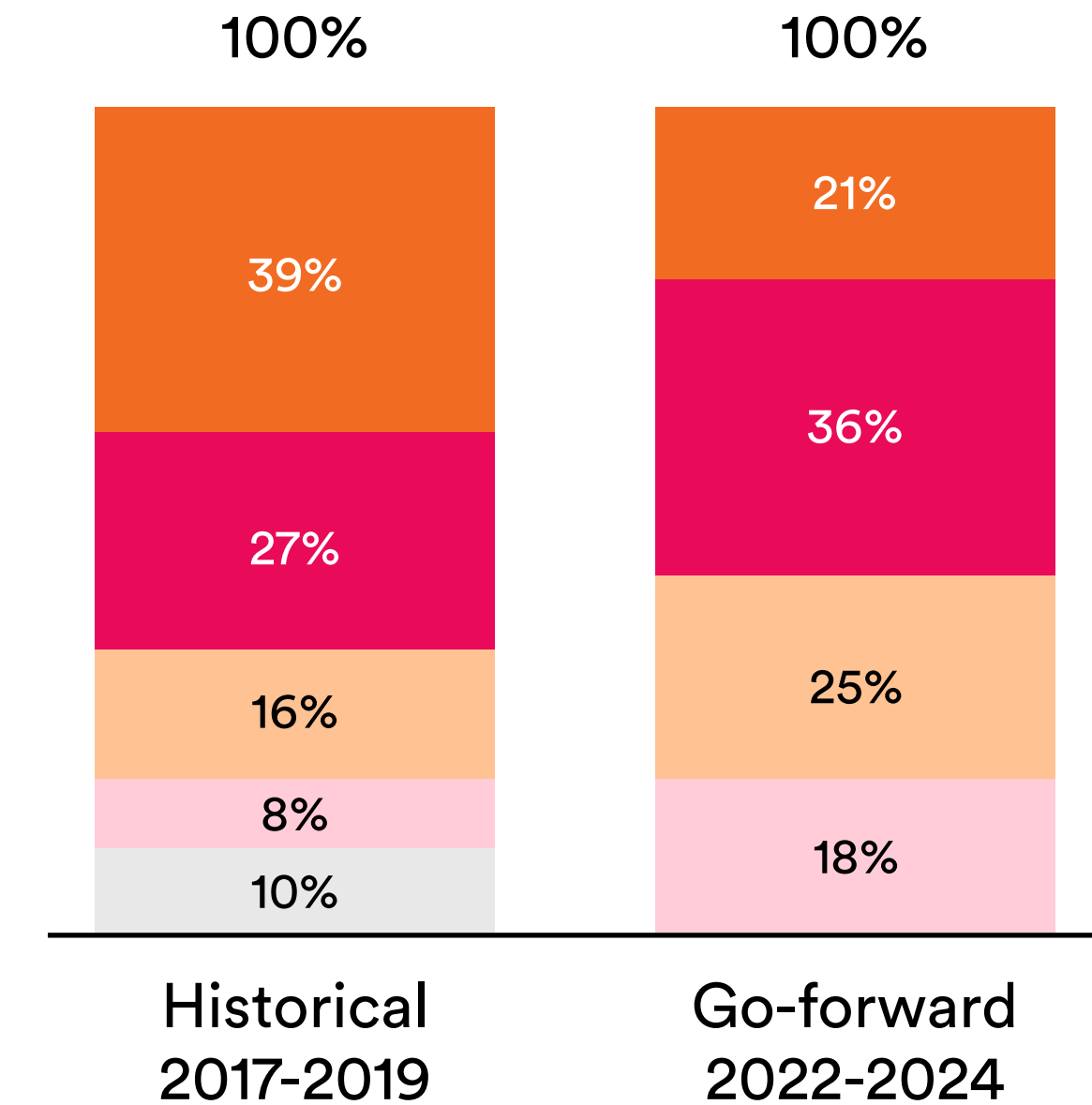
Capital expenditures

BETWEEN 4% AND 5% OF SALES

Capital Expenditures – 2022 through 2024, \$M

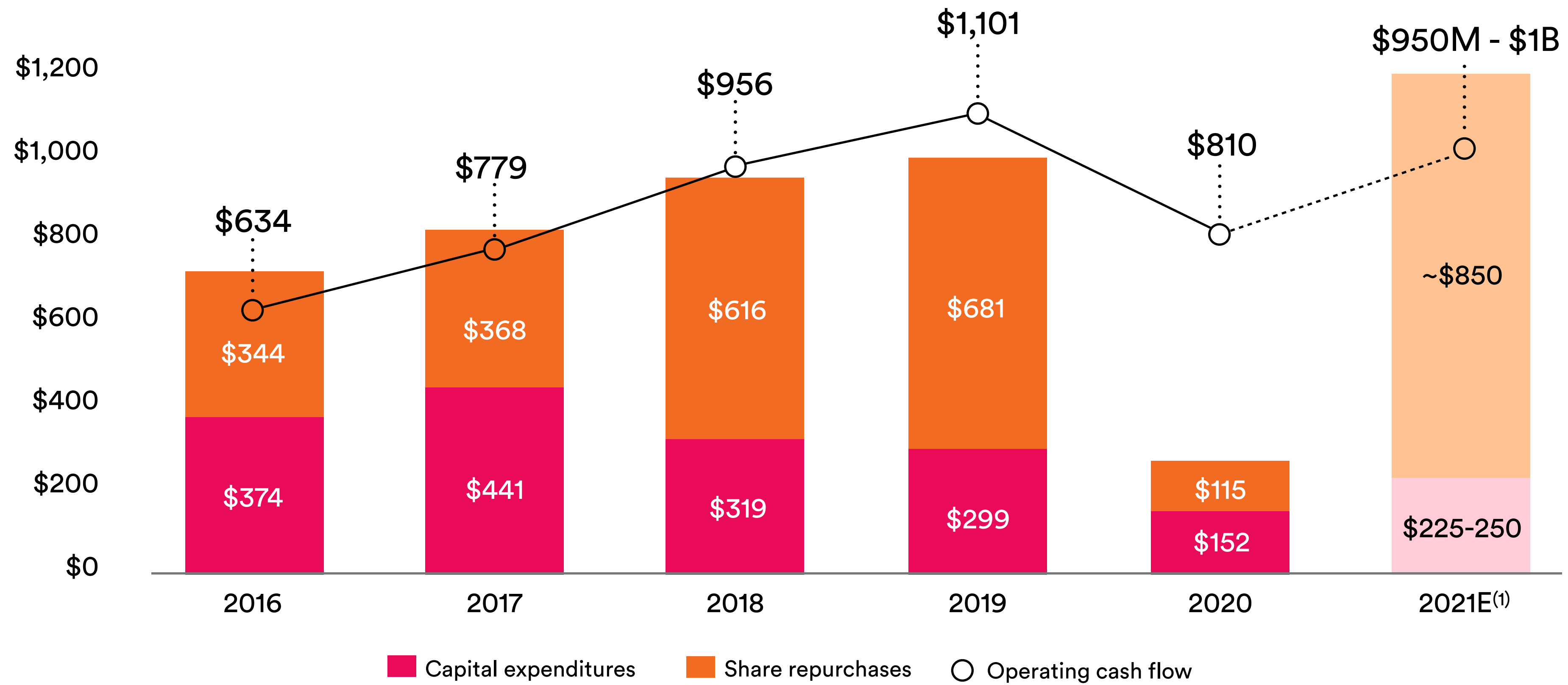


% of total



■ New stores
 ■ Fleet investments
 ■ IT and digital experiences
 ■ Supply Chain
 ■ Other

Strong cash flow generation will support strategic reinvestments and shareholder returns (\$M)



⁽¹⁾Guidance provided in earnings release published on August 25, 2021

KEY *takeaways*



Recovered from COVID-19 faster than anticipated and **continue to effectively manage headwinds**

Emerging from the unprecedented disruption as a healthier and **more profitable business**

We have the right structure and strategies in place and are **investing for future growth**

Financial foundation is strong, positioning us to continue to **deliver robust shareholder returns**

Financial targets

NET SALES
GROWTH (CAGR)⁽¹⁾

5% - 7%

OPERATING PROFIT
(AS A % OF SALES)

13% - 14%

DILUTED EARNINGS
PER SHARE (CAGR)⁽¹⁾

low double-digit growth

⁽¹⁾Base year 2019

Note: Fiscal year 2023 is a 53-week year. Tax rate assumed at 24-25%.



How We Will Win

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we will continue to

- **LEAD** the beauty category
- **WIN** as an omnichannel leader across physical and digital
- **EXPAND** our market share and increase customer loyalty
- Use our **INFLUENCE** and **LEADERSHIP** to make the world a better place
- Position Ulta Beauty for **SUSTAINABLE, PROFITABLE GROWTH**



Ulta Beauty is **UNIQUELY POSITIONED** to thrive due to three elements

attractive

and growing
category

strong

proven business
model

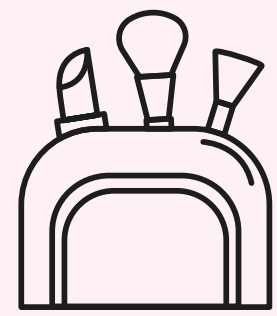
winning

culture
and team

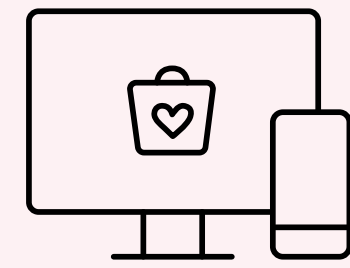
Well-defined strategy to drive growth

Expand market leadership and drive profitable growth

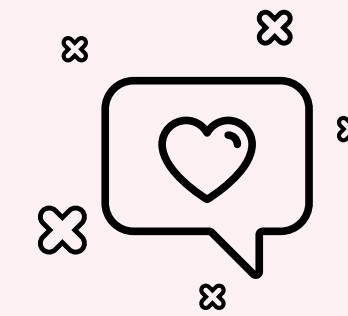
Ulta Beauty strategic framework



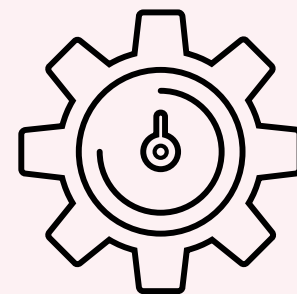
Drive breakthrough and disruptive growth through an expanded definition of **ALL THINGS BEAUTY**



Evolve the omnichannel experience through connected physical and digital ecosystems
ALL IN YOUR WORLD



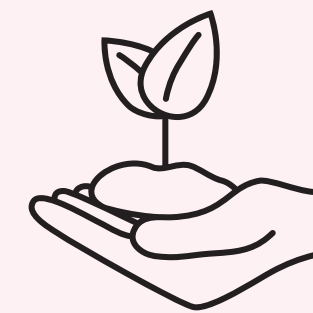
Expand and deepen our presence across the beauty journey as the **HEART OF THE BEAUTY COMMUNITY**



Drive **OPERATIONAL EXCELLENCE AND OPTIMIZATION**



Protect and cultivate our **WORLD-CLASS CULTURE AND TALENT**



Expand our **ENVIRONMENTAL AND SOCIAL IMPACT**

Financial targets

NET SALES GROWTH (CAGR)⁽¹⁾

5%-7%

OPERATING PROFIT (AS A % OF SALES)

13%-14%

DILUTED EARNINGS PER SHARE (CAGR)⁽¹⁾

low double-digit growth

⁽¹⁾Base year 2019

Note: Fiscal year 2023 is a 53-week year. Tax rate assumed at 24-25%.

We are building on our strengths to create the future of beauty and retail



One-of-a-kind assortment

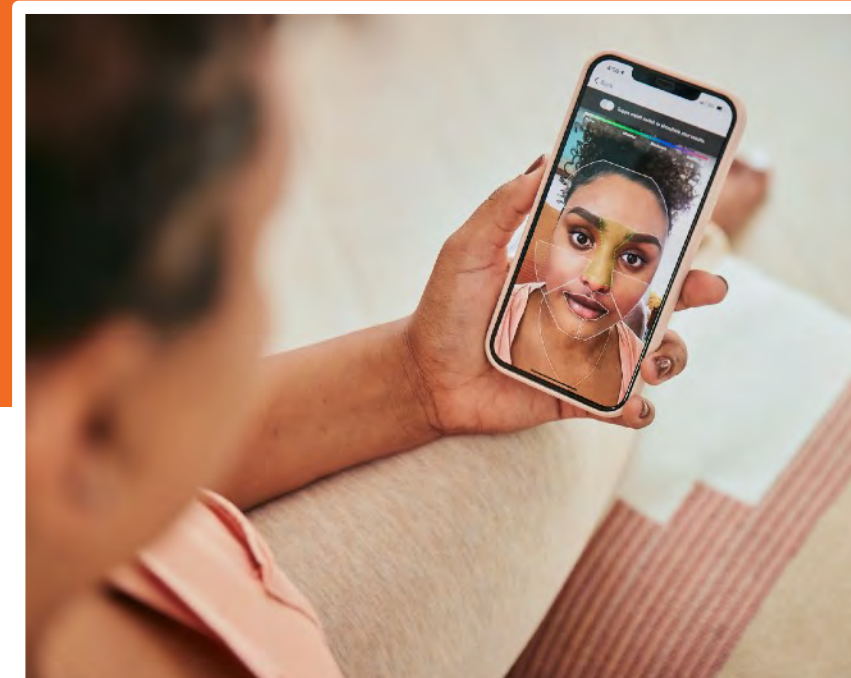
Fully immersive experiences featuring curated, differentiated assortment in an **expanding view of beauty**



Store footprint

Leading omnichannel ecosystem that crosses physical and digital touchpoints and meets guests where they are

Highly profitable store fleet is a differentiator and a strategic advantage; with **tangible expansion opportunities**



Leading digital experience

Digital as a **source of innovation** and a **key enabler across all consumer touchpoints**; capabilities that shape digital engagement and **capture share**



Best-in-class loyalty program

Next generation **loyalty and personalization at scale** that drives customer acquisition and share of wallet



Human connection and guest experience

Fun and engaging customer experience brought to life through superpowered associates, services, and innovative digital tools engaging beauty enthusiasts in new ways across the beauty journey



We are innovating and driving new approaches to fuel our growth

New businesses

Ulta Beauty at Target

UB Media

New partnerships

Google

Adeptmind

Supergreat

Digital Innovation Fund

New capabilities

SOAR

Digital Store of the Future

Advanced Personalization and lifecycle capabilities

Content publisher

Optimization efforts

Supply Chain

Continuous Improvement



Ulta Beauty is positioned to expand market share and drive profitable growth

- Foundation of leading **disruption, creativity, and success**
- Growth company continuing to **innovate and evolve**
- Focused on **next level capabilities, processes, and operations**
- Our associate-centric, values-based, and high-performance **culture will drive our success**

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the
possibilities
are beautiful.®

CREATING THE FUTURE OF BEAUTY & RETAIL