UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarterly Period Ended May 3, 2025

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____________ to _____________

Commission File Number: 001-33764

ULTA BEAUTY, INC.

(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**38-4022268** (I.R.S. Employer Identification No.)
1000 Remington Blvd., Suite 120 **Bolingbrook, Illinois** (Address of principal executive offices)	**60440** (Zip code)

Registrant’s telephone number, including area code: (630) 410-4800

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	
Non- accelerated filer ☐	Smaller reporting company ☐	Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The number of shares of the registrant’s common stock, par value $0.01 per share, outstanding as of May 23, 2025 was 44,945,605 shares.

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Part I - Financial Information

Item 1. Financial Statements

Ulta Beauty, Inc.
Consolidated Balance Sheets

(In thousands, except per share data)	May 3, 2025	February 1, 2025	May 4, 2024
Assets	(Unaudited)		(Unaudited)
Current assets:			
Cash and cash equivalents	$ 454,629	$ 703,201	$ 524,596
Receivables, net	225,146	223,334	203,463
Merchandise inventories, net	2,121,519	1,968,214	1,906,040
Prepaid expenses and other current assets	138,396	129,113	126,529
Prepaid income taxes	—	4,946	—
Total current assets	2,939,690	3,028,808	2,760,628
Property and equipment, net	1,251,287	1,239,295	1,195,658
Operating lease assets	1,658,834	1,609,870	1,561,767
Goodwill	10,870	10,870	10,870
Other intangible assets, net	—	204	434
Deferred compensation plan assets	47,467	47,951	45,718
Other long-term assets	78,541	64,695	56,864
Total assets	$ 5,986,689	$ 6,001,693	$ 5,631,939
Liabilities and stockholders' equity			
Current liabilities:			
Accounts payable	$ 537,518	$ 563,761	$ 463,777
Accrued liabilities	346,960	380,241	332,692
Deferred revenue	462,843	500,585	398,729
Current operating lease liabilities	285,764	288,114	284,815
Accrued income taxes	130,765	46,777	92,711
Total current liabilities	1,763,850	1,779,478	1,572,724
Non-current operating lease liabilities	1,689,439	1,635,120	1,607,953
Deferred income taxes	46,013	42,593	89,556
Other long-term liabilities	57,084	56,149	60,963
Total liabilities	3,556,386	3,513,340	3,331,196
Commitments and contingencies (Note 6)			
Stockholders' equity:			
Common stock, $0.01 par value, 400,000 shares authorized; 45,922, 46,809, and 48,688 shares issued; 45,042, 45,965, and 47,845 shares outstanding; at May 3, 2025 (unaudited), February 1, 2025, and May 4, 2024 (unaudited), respectively	459	468	487
Treasury stock-common, at cost	(119,704)	(106,793)	(106,315)
Additional paid-in capital	1,129,309	1,120,769	1,091,822
Retained earnings	1,420,239	1,473,909	1,314,749
Total stockholders' equity	2,430,303	2,488,353	2,300,743
Total liabilities and stockholders' equity	$ 5,986,689	$ 6,001,693	$ 5,631,939

See accompanying notes to consolidated financial statements.

Ulta Beauty, Inc.
Consolidated Statements of Income
(Unaudited)

(In thousands, except per share data)	13 Weeks Ended May 3, 2025	13 Weeks Ended May 4, 2024
Net sales	$ 2,848,367	$ 2,725,848
Cost of sales	1,734,148	1,656,068
Gross profit	1,114,219	1,069,780
Selling, general and administrative expenses	710,613	665,913
Pre-opening expenses	1,829	2,919
Operating income	401,777	400,948
Interest income, net	(3,547)	(6,900)
Income before income taxes and equity net loss of affiliate	405,324	407,848
Income tax expense	99,644	94,735
Income before equity net loss of affiliate	305,680	313,113
Equity net loss of affiliate	628	—
Net income	$ 305,052	$ 313,113
Net income per common share:		
Basic	$ 6.72	$ 6.51
Diluted	$ 6.70	$ 6.47
Weighted average common shares outstanding:		
Basic	45,362	48,125
Diluted	45,508	48,381

See accompanying notes to consolidated financial statements.

Ulta Beauty, Inc.
Consolidated Statements of Cash Flows
(Unaudited)

(In thousands)	13 Weeks Ended May 3, 2025	13 Weeks Ended May 4, 2024
Operating activities		
Net income	$ 305,052	$ 313,113
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	72,033	64,739
Non-cash lease expense	91,105	77,938
Deferred income taxes	3,420	3,635
Stock-based compensation expense	11,418	10,082
Loss on disposal of property and equipment	892	2,975
Equity net loss of affiliate	628	—
Change in operating assets and liabilities:		
Receivables	(1,812)	4,476
Merchandise inventories	(153,305)	(163,904)
Prepaid expenses and other current assets	(9,283)	(10,931)
Income taxes	88,934	85,652
Accounts payable	(24,920)	(74,069)
Accrued liabilities	(32,716)	(43,846)
Deferred revenue	(37,742)	(37,862)
Operating lease liabilities	(88,100)	(83,500)
Other assets and liabilities	(5,583)	10,842
Net cash provided by operating activities	220,021	159,340
Investing activities		
Capital expenditures	(79,031)	(91,024)
Other investments	(7,346)	(2,563)
Net cash used in investing activities	(86,377)	(93,587)
Financing activities		
Repurchase of common shares	(369,786)	(289,431)
Stock options exercised	481	8,913
Purchase of treasury shares	(12,911)	(23,283)
Debt issuance costs	—	(3,950)
Net cash used in financing activities	(382,216)	(307,751)
Net decrease in cash and cash equivalents	(248,572)	(241,998)
Cash and cash equivalents at beginning of period	703,201	766,594
Cash and cash equivalents at end of period	$ 454,629	$ 524,596
Supplemental information		
Income taxes paid, net of refunds	$ 7,016	$ 5,057
Non-cash investing and financing activities:		
Non-cash capital expenditures	28,370	51,695
Repurchase of common shares in accrued liabilities	3,913	—

See accompanying notes to consolidated financial statements.

Ulta Beauty, Inc.
Consolidated Statements of Stockholders' Equity
(Unaudited)

(In thousands)	Common Stock Issued Shares	Common Stock Amount	Treasury - Common Stock Treasury Shares	Treasury - Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
Balance – February 3, 2024	49,123	$ 491	(799)	$ (83,032)	$ 1,075,104	$ 1,286,765	$ 2,279,328
Net income	—	—	—	—	—	313,113	313,113
Stock-based compensation	—	—	—	—	10,082	—	10,082
Stock options exercised and other awards	153	2	—	—	8,911	—	8,913
Purchase of treasury shares	—	—	(44)	(23,283)	—	—	(23,283)
Repurchase of common shares, including excise tax	(588)	(6)	—	—	(2,275)	(285,129)	(287,410)
Balance – May 4, 2024	48,688	$ 487	(843)	$ (106,315)	$ 1,091,822	$ 1,314,749	$ 2,300,743
Balance – February 1, 2025	46,809	$ 468	(844)	$ (106,793)	$ 1,120,769	$ 1,473,909	$ 2,488,353
Net income	—	—	—	—	—	305,052	305,052
Stock-based compensation	—	—	—	—	11,418	—	11,418
Stock options exercised and other awards	100	1	—	—	480	—	481
Purchase of treasury shares	—	—	(36)	(12,911)	—	—	(12,911)
Repurchase of common shares, including excise tax	(987)	(10)	—	—	(3,358)	(358,722)	(362,090)
Balance – May 3, 2025	45,922	$ 459	(880)	$ (119,704)	$ 1,129,309	$ 1,420,239	$ 2,430,303

See accompanying notes to consolidated financial statements.

Ulta Beauty, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share and store count data) (Unaudited)

1. Business and basis of presentation

Ulta Beauty, Inc. was founded in 1990 to operate specialty retail stores selling cosmetics, fragrance, haircare and skincare products, and related accessories and services. Nearly every store features a full-service salon. As used in these notes and throughout this Quarterly Report on Form 10-Q, all references to “we,” “us,” “our,” “Ulta Beauty,” or the “Company” refer to Ulta Beauty, Inc. and its consolidated subsidiaries.

As of May 3, 2025, the Company operated 1,451 stores across 50 states, as shown in the table below.

Location	Number of stores	Location	Number of stores
Alabama	27	Montana	6
Alaska	3	Nebraska	5
Arizona	38	Nevada	16
Arkansas	11	New Hampshire	8
California	174	New Jersey	46
Colorado	27	New Mexico	8
Connecticut	21	New York	59
Delaware	4	North Carolina	48
Florida	103	North Dakota	4
Georgia	44	Ohio	48
Hawaii	4	Oklahoma	23
Idaho	10	Oregon	21
Illinois	56	Pennsylvania	47
Indiana	26	Rhode Island	5
Iowa	12	South Carolina	27
Kansas	14	South Dakota	3
Kentucky	16	Tennessee	34
Louisiana	19	Texas	141
Maine	3	Utah	17
Maryland	29	Vermont	1
Massachusetts	27	Virginia	36
Michigan	50	Washington	37
Minnesota	21	West Virginia	7
Mississippi	12	Wisconsin	22
Missouri	26	Wyoming	5
		Total	**1,451**

The accompanying unaudited consolidated financial statements and related notes have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and the U.S. Securities and Exchange Commission’s Article 10, Regulation S-X. These financial statements were prepared on a consolidated basis to include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts, transactions, and unrealized profit were eliminated in consolidation. In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary to fairly state the financial position and results of operations and cash flows for the interim periods presented.

The Company's business is subject to seasonal fluctuation, with significant portions of net sales and net income being realized during the fourth quarter of the fiscal year due to the holiday selling season. The results for the 13 weeks ended May 3, 2025 are not necessarily indicative of the results to be expected for the fiscal year ending January 31, 2026, or for any other future interim period or for any future year.

These unaudited interim consolidated financial statements and the related notes should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended February 1, 2025. All amounts are stated in thousands, with the exception of per share amounts and number of stores.

2. Summary of significant accounting policies

Information regarding significant accounting policies is contained in Note 2, "Summary of significant accounting policies," to the consolidated financial statements in the Annual Report on Form 10-K for the year ended February 1, 2025. Presented below and in the following notes is supplemental information that should be read in conjunction with "Notes to Consolidated Financial Statements" in the Annual Report.

Fiscal quarter

The Company's quarterly periods are the 13 weeks ending on the Saturday closest to April 30, July 31, October 31, and January 31. The first quarter in fiscal 2025 and 2024 ended on May 3, 2025 and May 4, 2024, respectively.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the accounting period. Actual results could differ from those estimates. The Company considers its accounting policies relating to inventory valuations, vendor allowances, impairment of long-lived tangible and right-of-use assets, loyalty program and income taxes to be the most significant accounting policies that involve management estimates and judgments. Significant changes, if any, in those estimates and assumptions resulting from continuing changes in the economic environment will be reflected in the consolidated financial statements in future periods.

Recent accounting pronouncements not yet adopted

Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The guidance includes amendments requiring enhanced income tax disclosures, primarily related to standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The guidance is effective for fiscal years beginning after December 15, 2024 and should be applied either prospectively or retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of adopting this ASU on related disclosures.

3. Revenue

Net sales include retail stores and e-commerce merchandise sales as well as salon services and other revenue. Other revenue includes the private label and co-branded credit card programs, royalties derived from the partnership with Target Corporation, and deferred revenue related to the loyalty program and gift card breakage.

Disaggregated revenue

The following table sets forth the approximate percentage of net sales by primary category:

	13 Weeks Ended	
(Percentage of net sales)	May 3, 2025	May 4, 2024
Cosmetics	40%	42%
Skincare and wellness	25%	23%
Haircare	18%	19%
Fragrance	11%	10%
Services	4%	4%
Other	2%	2%
	100%	100%

Deferred revenue

Deferred revenue primarily represents contract liabilities for the obligation to transfer additional goods or services to a guest for which the Company has received consideration, such as unredeemed Ulta Beauty Rewards loyalty points and unredeemed Ulta Beauty gift cards. In addition, breakage on gift cards is recognized proportionately as redemption occurs.

The following table provides a summary of the changes included in deferred revenue during the 13 weeks ended May 3, 2025 and May 4, 2024:

	13 Weeks Ended	
(In thousands)	May 3, 2025	May 4, 2024
Beginning balance	$ 492,907	$ 428,788
Additions to contract liabilities (1)	164,054	133,495
Deductions to contract liabilities (2)	(201,701)	(170,837)
Ending balance	$ 455,260	$ 391,446

(1) Loyalty points and gift cards issued in the current period but not redeemed or expired.

(2) Revenue recognized in the current period related to the beginning liability.

Other amounts included in deferred revenue were $7,583 and $7,283 at May 3, 2025 and May 4, 2024, respectively.

4. Goodwill and other intangible assets

Goodwill, which represents the excess of cost over the fair value of net assets acquired, was $10,870 at May 3, 2025, February 1, 2025, and May 4, 2024. No additional goodwill was recognized during the 13 weeks ended May 3, 2025. The recoverability of goodwill is reviewed annually during the fourth quarter or more frequently if an event occurs or circumstances change that would indicate that impairment may exist.

Other definite-lived intangible assets are amortized over their useful lives. The recoverability of intangible assets is reviewed whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable.

5. Leases

The Company leases retail stores, distribution centers, fast fulfillment centers, market fulfillment centers, corporate offices, and certain equipment under non-cancelable operating leases with various expiration dates through 2037. All leases are classified as operating leases and generally have initial lease terms of 10 years and, when determined applicable, include renewal options under substantially the same terms and conditions as the original leases. Leases do not contain any material residual value guarantees or material restrictive covenants.

Lease cost

The majority of operating lease cost relates to retail stores, distribution centers, fast fulfillment centers, and market fulfillment centers and is classified within cost of sales. Operating lease cost for corporate offices is classified within selling, general and administrative expenses. Operating lease cost from the control date through store opening date is classified within pre-opening expenses.

The following table presents a summary of operating lease costs:

	13 Weeks Ended	
(In thousands)	May 3, 2025	May 4, 2024
Operating lease cost	$ 93,466	$ 88,155

Other information

The following table presents supplemental disclosures of cash flow information related to operating leases:

	13 Weeks Ended	
(In thousands)	May 3, 2025	May 4, 2024
Cash paid for operating lease liabilities (1)	$ 106,017	$ 101,646
Operating lease assets obtained in exchange for operating lease liabilities (non-cash)	140,069	65,176

(1) Excludes $15,782 and $7,791 related to cash received for tenant incentives for the 13 weeks ended May 3, 2025 and May 4, 2024, respectively.

6. Commitments and contingencies

The Company is involved in various legal proceedings that are incidental to the conduct of the business including both class action and single plaintiff litigation. In the opinion of management, the amount of any liability with respect to these proceedings, either individually or in the aggregate, will not have a material adverse effect on the Company’s consolidated financial position, results of operations or cash flows.

7. Debt

On March 13, 2024, the Company entered into Amendment No. 3 to the Second Amended and Restated Loan Agreement (as so amended, the Loan Agreement) with Wells Fargo Bank, National Association, as Administrative Agent, Collateral Agent and a Lender thereunder; Wells Fargo Bank, National Association and JPMorgan Chase Bank, N.A., as Lead Arrangers and Bookrunners; JPMorgan Chase Bank, N.A., as Syndication Agent and a Lender; PNC Bank, National Association, as Documentation Agent and a Lender; and the other lenders party thereto. The Loan Agreement matures on March 13, 2029, provides maximum revolving loans equal to the lesser of $800,000 or a percentage of eligible owned inventory and eligible owned receivables (which borrowing base may, at the election of the Company and satisfaction of certain conditions, include a percentage of qualified cash), contains a $50,000 subfacility for letters of credit and allows the Company to increase the revolving facility by an additional $200,000, subject to the consent by each lender and other conditions. The Loan Agreement contains a requirement to maintain a fixed charge coverage ratio of not less than 1.0 to 1.0 during such periods when availability under the Loan Agreement falls below a specified threshold. Substantially all of the Company's assets are pledged as collateral for outstanding borrowings under the Loan Agreement. Outstanding borrowings bear interest, at the Company's election, at either a base rate plus a margin of 0.5% to 1.0% or the Term Secured Overnight Financing Rate plus a margin of 1.5% to 2.0%, and a credit spread adjustment of 0.10%, with such margins based on the Company's borrowing availability, and the unused line fee is 0.25% to 0.375% per annum.

As of May 3, 2025, February 1, 2025, and May 4, 2024, there were no borrowings outstanding under the credit facility.

As of May 3, 2025, the Company was in compliance with all terms and covenants of the Loan Agreement.

8. Fair value measurements

The carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates their estimated fair values due to the short maturities of these instruments.

Fair value is measured using inputs from the three levels of the fair value hierarchy, which are described as follows:

- Level 1 – observable inputs such as quoted prices for identical instruments in active markets.
- Level 2 – inputs other than quoted prices in active markets that are observable either directly or indirectly through corroboration with observable market data.
- Level 3 – unobservable inputs in which there is little or no market data, which would require the Company to develop its own assumptions.

As of May 3, 2025, February 1, 2025, and May 4, 2024, there were liabilities related to the non-qualified deferred compensation plan included in other long-term liabilities on the consolidated balance sheets of $44,712, $43,117, and $47,849, respectively. The liabilities are categorized as Level 2 as they are based on third-party reported values, which are based primarily on quoted market prices of underlying assets of the funds within the plan.

9. Stock-based compensation

Stock-based compensation expense is measured on the grant date based on the fair value of the award. Stock-based compensation expense is recognized on a straight-line basis over the requisite service period for awards expected to vest. The estimated grant date fair value of stock options was determined using a Black-Scholes valuation model using the following weighted-average assumptions for the periods indicated:

	13 Weeks Ended	
	May 3, 2025	May 4, 2024
Volatility rate	34.0%	33.0%
Average risk-free interest rate	3.9%	4.4%
Average expected life (in years)	3.4	3.5
Dividend yield	—	—

The expected volatility is based on the historical volatility of the Company's common stock. The risk-free interest rate is based on the United States Treasury yield curve in effect on the date of grant for the respective expected life of the option. The expected life represents the time the options granted are expected to be outstanding. The expected life of options granted is derived from historical data on Ulta Beauty stock option exercises. Forfeitures of stock options are estimated at the grant date based on historical rates of stock option activity and reduce the stock-based compensation expense recognized. The Company does not currently pay a regular dividend.

The Company granted 129 and 56 stock options during the 13 weeks ended May 3, 2025 and May 4, 2024, respectively. Stock-based compensation expense for stock options was $3,039 and $1,680 for the 13 weeks ended May 3, 2025 and May 4, 2024, respectively. The weighted-average grant date fair value of these stock options was $107.99 and $157.66 for the 13 weeks ended May 3, 2025 and May 4, 2024, respectively. At May 3, 2025, there was approximately $18,931 of unrecognized stock-based compensation expense related to unvested stock options.

There were 99 and 44 restricted stock units issued during the 13 weeks ended May 3, 2025 and May 4, 2024, respectively. Stock-based compensation expense for restricted stock units was $5,346 and $4,388 for the 13 weeks ended May 3, 2025 and May 4, 2024, respectively. At May 3, 2025, there was approximately $53,478 of unrecognized stock-based compensation expense related to restricted stock units.

There were no performance-based restricted stock units issued during the 13 weeks ended May 3, 2025. There were 71 performance-based restricted stock units issued during the 13 weeks ended May 4, 2024. Stock-based compensation expense for performance-based restricted stock units was $3,033 and $4,014 for the 13 weeks ended May 3, 2025 and May 4, 2024, respectively. At May 3, 2025, there was approximately $6,699 of unrecognized stock-based compensation expense related to performance-based restricted stock units.

10. Income taxes

Income tax expense reflects the federal statutory tax rate and the weighted average state statutory tax rate for the states in which the Company operates stores. Income tax expense of $99,644 for the 13 weeks ended May 3, 2025 represents an effective tax rate of 24.6%, compared to $94,735 of income tax expense representing an effective tax rate of 23.2% for the 13 weeks ended May 4, 2024. The higher effective tax rate is primarily due to a reduced benefit from income tax accounting for stock-based compensation.

11. Net income per common share

The following is a reconciliation of net income and the number of shares of common stock used in the computation of net income per basic and diluted common share:

	13 Weeks Ended	
(In thousands, except per share data)	May 3, 2025	May 4, 2024
Numerator:		
Net income	$ 305,052	$ 313,113
Denominator:		
Weighted-average common shares – Basic	45,362	48,125
Dilutive effect of stock options and non-vested stock	146	256
Weighted-average common shares – Diluted	45,508	48,381
Net income per common share:		
Basic	$ 6.72	$ 6.51
Diluted	$ 6.70	$ 6.47

The denominator for diluted net income per common share for the 13 weeks ended May 3, 2025 and May 4, 2024 excludes 354 and 150 employee stock options and restricted stock units, respectively, due to their anti-dilutive effects. Outstanding performance-based restricted stock units are included in the computation of dilutive shares only to the extent that the underlying performance conditions are satisfied prior to the end of the reporting period or would be considered satisfied if the end of the reporting period were the end of the related contingency period and the results would be dilutive under the treasury stock method.

12. Share repurchase program

In March 2024, the Board of Directors authorized a share repurchase program (the March 2024 Share Repurchase Program) pursuant to which the Company could repurchase up to $2,000,000 of the Company's common stock. The March 2024 Share Repurchase Program authorization revoked the previously authorized but unused amounts from the earlier share repurchase program. The March 2024 Share Repurchase Program did not have an expiration date but provided for suspension or discontinuation at any time.

In October 2024, the Board of Directors authorized a share repurchase program (the October 2024 Share Repurchase Program) pursuant to which the Company may repurchase up to $3,000,000 of the Company's common stock. The October 2024 Share Repurchase Program authorization revoked the previously authorized but unused amounts from the March 2024 Share Repurchase Program. The October 2024 Share Repurchase Program does not have an expiration date and may be suspended or discontinued at any time.

A summary of common stock repurchase activity is presented in the following table:

	13 Weeks Ended	
(In thousands)	May 3, 2025	May 4, 2024
Shares repurchased	987	588
Total cost of shares repurchased, including excise tax	$ 362,090	$ 287,410

Note 13. Segment reporting

The Company has one reportable segment, which includes retail stores, salon services, and e-commerce. Within the reportable segment, there are significant expense categories included in the measure of the segment's net income as shown below:

	13 Weeks Ended	
(In thousands, except per share data)	May 3, 2025	May 4, 2024
Net sales	$ 2,848,367	$ 2,725,848
Less:		
Cost of sales (1)	1,734,148	1,656,068
Associate expenses (2)	387,150	356,269
Advertising expense, net (3)	90,609	85,707
Pre-opening expenses	1,829	2,919
Other segment expenses (1) (4)	232,854	223,937
Interest income, net	(3,547)	(6,900)
Income tax expense	99,644	94,735
Equity net loss of affiliate	628	—
Net income	$ 305,052	$ 313,113

(1) Included within cost of sales and other segment expenses is depreciation and amortization expense of $72,033 and $64,739 for the 13 weeks ended May 3, 2025 and May 4, 2024, respectively.

(2) Associate expenses include salaries, wages, bonus, and other forms of compensation related to associates.

(3) Advertising expense, net consists of print, digital and social media, and television and radio advertising, net of vendor income that is a reimbursement of specific, incremental, and identifiable costs.

(4) Other segment expenses include other corporate overhead and store opening expenses within SG&A expenses.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes included elsewhere in this quarterly report. This discussion 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 our current views with respect to, among other things, future events and financial performance. You can identify these forward-looking statements 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 Form 10-Q are based upon our historical performance and on current plans, estimates, and expectations. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates, targets, strategies, or expectations contemplated by us will be achieved. Such forward-looking statements are subject to various risks and uncertainties, which include, without limitation:

- macroeconomic conditions, including inflation and elevated interest rates, as well as prior labor, transportation, and shipping cost pressures, have had, and may continue to have, a negative impact on our business, financial condition, profitability, and cash flows (including future uncertain impacts, especially when combined with increased tariffs);
- changes in the overall level of consumer spending and volatility in the economy, including as a result of macroeconomic conditions, tariffs, and geopolitical events;
- our ability to sustain our growth plans and successfully implement our long-range strategic and financial plan;
- the ability to execute our operational excellence priorities, including continuous improvement and supply chain optimization;
- our ability to gauge beauty trends and react to changing consumer preferences in a timely manner;
- the possibility that we may be unable to compete effectively in our highly competitive markets;
- the possibility of significant interruptions in the operations of our distribution centers, fast fulfillment center, and market fulfillment centers;
- the possibility that cybersecurity or information security breaches and other disruptions could compromise our information or result in the unauthorized disclosure of confidential information;
- the possibility of material disruptions to our information systems, including our Ulta.com website and mobile applications;
- the failure to maintain satisfactory compliance with applicable privacy and data protection laws and regulations;
- changes in the good relationships we have with our brand partners, our ability to continue to obtain sufficient merchandise from our brand partners, and/or our ability to continue to offer permanent or temporary exclusive products of our brand partners;
- our ability to effectively manage our inventory and protect against inventory shrink;
- changes in the wholesale cost of our products and/or interruptions at our brand partners’ or third-party vendors’ operations;
- epidemics, pandemics or natural disasters, which could negatively impact sales;
- the possibility that new store openings and existing locations may be impacted by developer or co-tenant issues;
- our ability to attract and retain key executive personnel;
- the impact of climate change on our business operations and/or supply chain;
- our ability to successfully execute our common stock repurchase program or implement future common stock repurchase programs;
- a decline in operating results which could lead to asset impairment and store closure charges; and
- other risk factors detailed in our public filings with the Securities and Exchange Commission (the SEC), including risk factors contained in Item 1A, “Risk Factors” of our Annual Report on Form 10-K for the year ended February 1, 2025, as such may be amended or supplemented in our subsequently filed Quarterly Reports on Form 10-Q (including this report).

Except to the extent required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

References in the following discussion to “we,” “us,” “our,” “Ulta Beauty,” the “Company,” and similar references mean Ulta Beauty, Inc. and its consolidated subsidiaries, unless otherwise expressly stated or the context otherwise requires.

Overview

We were founded in 1990 as a beauty retailer at a time when prestige, mass, and salon products were sold through distinct channels – department stores for prestige products; drug stores and mass merchandisers for mass products; and salons and authorized retail outlets for professional hair care products. We developed a unique specialty retail concept that offers a broad range of brands and price points, select beauty services, and a convenient and welcoming shopping environment. We define our target consumer as a beauty enthusiast, a consumer who is passionate about the beauty category, uses beauty for self-expression, experimentation, and self-investment, and has high expectations for the shopping experience. We believe our strategy provides us with the competitive advantages that have contributed to our financial performance.

Today, we are the largest specialty beauty retailer in the United States and the premier beauty destination for cosmetics, fragrance, skin care products, hair care products, wellness products, and salon services. Key aspects of our business include: a differentiated assortment of approximately 29,000 beauty products across a variety of categories and price points as well as a variety of beauty services, including salon services, in more than 1,400 stores predominantly located in convenient, high-traffic locations; engaging digital experiences delivered through our website, Ulta.com, and our mobile applications; our best-in-class loyalty program that enables members to earn points for every dollar spent on products and beauty services and provides us with deep, proprietary customer insights; and our ability to cultivate human connection with warm and welcoming guest experiences across all of our channels.

The continued growth of our business and any future increases in net sales, net income, and cash flows is dependent on our ability to execute our strategic priorities across four foundational focus areas: 1) Assortment: curating the best of all things beauty and wellness for all beauty enthusiasts; 2) Experience: fostering authentic, empowering human connections that inspire, delight and engage guests at every touchpoint; 3) Loyalty: building lifelong loyalty and brand love through member growth and personalization; and 4) Access: engaging our guests wherever they want to shop by expanding our reach through seamless and immersive omnichannel experiences. We operate in an attractive and growing U.S. beauty products and salon services industry, and believe our strong operating model, competitive advantages, and financial foundation, paired with our investments to drive our growth, position us to capture additional market share in the industry.

Comparable sales is a key metric that is monitored closely within the retail industry. Our comparable sales have fluctuated in the past, and we expect them to continue to fluctuate in the future. A variety of factors affect our comparable sales, including general U.S. economic conditions, changes in merchandise strategy or mix, and timing and effectiveness of our marketing activities, among others.

Over the long term, our growth strategy is to drive profitable growth and market share leadership in beauty and wellness through growing our comparable sales, expanding omnichannel capabilities, and opening new stores. Long-term operating profit is expected to increase as a result of our efforts to drive revenue growth, leverage fixed costs, improve merchandise margin, increase operating efficiencies, and grow other revenue, partially offset by incremental investments in new stores and technology to enhance the guest experience, people, assortment, and advertising.

Current Trends

Industry trends

The overall beauty market expanded in 2024 and into the first quarter of 2025, supported by on-going consumer engagement with the beauty category. We remain confident that our differentiated and diverse business model, our commitment to strategic investments, and our highly engaged associates will continue to drive market share gains over the long term.

Impact of inflation and other macroeconomic trends

Persistent inflationary and macroeconomic pressures, including existing and potential tariffs, have impacted consumer spending habits broadly, which we believe could contribute to lower sales trends throughout fiscal 2025. The continuation of inflationary and macroeconomic pressures, including existing and potential tariffs, could further impact our ability to grow sales and maintain historical profitability levels. In addition, inflation could cause the interest rates on any future debt to remain at an elevated level or increase.

Basis of presentation

The Company has one reportable segment, which includes retail stores, salon services, and e-commerce.

We recognize merchandise revenue at the point of sale in our retail stores. E-commerce sales are recognized upon shipment or guest pickup of the merchandise based on meeting the transfer of control criteria. Retail store and e-commerce sales are recorded net of estimated returns. Shipping and handling are treated as costs to fulfill the contract and not a separate performance obligation. Accordingly, we recognize revenue for our single performance obligation related to online sales at the time control of the merchandise passes to the customer, which is at the time of shipment or guest pickup. We provide refunds for merchandise returns within 30 days from the original purchase date. State sales taxes are presented on a net basis as we consider our self a pass-through conduit for collecting and remitting state sales tax. Salon service revenue is recognized at the time the service is provided to the guest. Gift card sales revenue is deferred until the guest redeems the gift card. Company coupons and other incentives are recorded as a reduction of net sales. Other revenue includes the private label and co-branded credit card programs, royalties derived from the partnership with Target Corporation, and deferred revenue related to the loyalty program and gift card breakage.

Comparable sales reflect sales for stores beginning on the first day of the 14th month of operation. Therefore, a store is included in our comparable store base on the first day of the period after one year of operations plus the initial one-month grand opening period. Non-comparable store sales include sales from new stores that have not yet completed their 13th month of operation and stores that were closed for part or all of the period in either year. Remodeled stores are included in comparable sales unless the store was closed for a portion of the current or prior period. Comparable sales include retail sales, salon services, and e-commerce. In fiscal years with 53 weeks, the 53rd week of comparable sales is included in the calculation. In the year following a 53-week year, the prior year period is shifted by one week to compare similar calendar weeks. There may be variations in the way in which some of our competitors and other retailers calculate comparable or same store sales.

Measuring comparable sales allows us to evaluate the performance of our store base as well as several other aspects of our overall strategy. Several factors could positively or negatively impact our comparable sales results:

- the general national, regional, and local economic conditions and corresponding impact on customer spending levels;
- the introduction of new products or brands;
- the location of new stores in existing store markets;
- competition and/or alternative distribution channels;
- our ability to respond on a timely basis to changes in consumer preferences;
- the effectiveness of our various merchandising and marketing activities; and
- the number of new stores opened and the impact on the average age of all of our comparable stores.

Cost of sales includes:

- the cost of merchandise sold, offset by vendor income that is not a reimbursement of specific, incremental, and identifiable costs;
- distribution costs including labor and related benefits, freight, rent, depreciation and amortization, real estate taxes, utilities, and insurance;
- shipping and handling costs for e-commerce orders;
- retail store occupancy costs including rent, depreciation and amortization, real estate taxes, utilities, repairs and maintenance, insurance, and licenses;
- salon services payroll and benefits; and
- shrink and inventory valuation reserves.

Our cost of sales may be negatively impacted as we open new stores. Changes in our merchandise or channel mix may also have an impact on cost of sales. This presentation of items included in cost of sales may not be comparable to the way in which our competitors or other retailers compute their cost of sales.

Selling, general and administrative expenses include:

- payroll, bonus, and benefit costs for retail store and corporate employees;
- advertising and marketing costs, offset by vendor income that is a reimbursement of specific, incremental, and identifiable costs;
- occupancy costs related to our corporate office facilities;
- stock-based compensation expense;
- depreciation and amortization for all assets, except those related to our retail stores and distribution operations, which are included in cost of sales; and
- legal, finance, information systems, and other corporate overhead costs.

This presentation of items in selling, general and administrative expenses may not be comparable to the way in which our competitors or other retailers compute their selling, general and administrative expenses.

Pre-opening expenses include non-capital expenditures during the period prior to store opening for new, remodeled, and relocated stores including rent during the construction period for new and relocated stores, store set-up labor, management and employee training, and grand opening advertising.

Interest income represents interest from cash equivalents, which include highly liquid investments such as money market funds and certificates of deposit with an original maturity of three months or less from the date of purchase. Interest expense includes interest costs and facility fees associated with our credit facility, which is structured as an asset-based lending instrument. Our credit facility interest is based on a variable interest rate structure which can result in increased cost in periods of rising or elevated interest rates.

Income tax expense reflects the federal statutory tax rate and the weighted average state statutory tax rate for the states in which we operate stores.

Results of operations

Our quarterly periods are the 13 weeks ending on the Saturday closest to April 30, July 31, October 31, and January 31. The Company’s first quarter in fiscal 2025 and 2024 ended on May 3, 2025 and May 4, 2024, respectively. Our quarterly results of operations have varied in the past and are likely to do so again in the future. As such, we believe that period-to-period comparisons of our results of operations should not be relied upon as an indication of our future performance.

The following tables present the components of our consolidated results of operations for the periods indicated:

(Dollars in thousands)	13 Weeks Ended May 3, 2025	13 Weeks Ended May 4, 2024
Net sales	$ 2,848,367	$ 2,725,848
Cost of sales	1,734,148	1,656,068
Gross profit	1,114,219	1,069,780
Selling, general and administrative expenses	710,613	665,913
Pre-opening expenses	1,829	2,919
Operating income	401,777	400,948
Interest income, net	(3,547)	(6,900)
Income before income taxes and equity net loss of affiliate	405,324	407,848
Income tax expense	99,644	94,735
Income before equity net loss of affiliate	305,680	313,113
Equity net loss of affiliate	628	—
Net income	$ 305,052	$ 313,113
Other operating data:		
Number of stores end of period	1,451	1,395
Comparable sales	2.9%	1.6%

(Percentage of net sales)	13 Weeks Ended May 3, 2025	13 Weeks Ended May 4, 2024
Net sales	100.0%	100.0%
Cost of sales	60.9%	60.8%
Gross profit	39.1%	39.2%
Selling, general and administrative expenses	24.9%	24.4%
Pre-opening expenses	0.1%	0.1%
Operating income	14.1%	14.7%
Interest income, net	(0.1%)	(0.3%)
Income before income taxes and equity net loss of affiliate	14.2%	15.0%
Income tax expense	3.5%	3.5%
Income before equity net loss of affiliate	10.7%	11.5%
Equity net loss of affiliate	0.0%	0.0%
Net income	10.7%	11.5%

Comparison of 13 weeks ended May 3, 2025 to 13 weeks ended May 4, 2024

Net sales

Net sales increased $122.5 million or 4.5%, to $2.8 billion for the 13 weeks ended May 3, 2025, compared to $2.7 billion for the 13 weeks ended May 4, 2024. The net sales increase was primarily due to increased comparable sales and new store contribution, partially offset by a $3.5 million decrease in other revenue. The total comparable sales increase of 2.9% was driven by a 2.3% increase in average ticket and a 0.6% increase in transactions.

Gross profit

Gross profit increased $44.4 million or 4.2%, to $1.11 billion for the 13 weeks ended May 3, 2025, compared to $1.07 billion for the 13 weeks ended May 4, 2024. Gross profit as a percentage of net sales decreased to 39.1% for the 13 weeks ended May 3, 2025, compared to 39.2% for the 13 weeks ended May 4, 2024. The decrease in gross profit margin was primarily due to deleverage of store and supply chain fixed costs and lower other revenue, partially offset by lower inventory shrink.

Selling, general and administrative expenses

Selling, general and administrative (SG&A) expenses increased $44.7 million or 6.7%, to $710.6 million for the 13 weeks ended May 3, 2025, compared to $665.9 million for the 13 weeks ended May 4, 2024. SG&A expenses as a percentage of net sales increased to 24.9% for the 13 weeks ended May 3, 2025, compared to 24.4% for the 13 weeks ended May 4, 2024, primarily due to deleverage of store payroll and benefits and store expenses, partially offset by leverage of corporate overhead.

Pre-opening expenses

Pre-opening expenses were $1.8 million for the 13 weeks ended May 3, 2025 compared to $2.9 million for the 13 weeks ended May 4, 2024.

Interest income, net

Interest income, net was $3.5 million for the 13 weeks ended May 3, 2025 compared to $6.9 million for the 13 weeks ended May 4, 2024. We did not have any outstanding borrowings on the credit facility as of May 3, 2025, February 1, 2025, and May 4, 2024.

Income tax expense

Income tax expense of $99.6 million for the 13 weeks ended May 3, 2025 represents an effective tax rate of 24.6%, compared to $94.7 million of income tax expense representing an effective tax rate of 23.2% for the 13 weeks ended May 4, 2024. The higher income tax rate is primarily due to a reduced benefit from income tax accounting for stock-based compensation.

Net income

Net income was $305.1 million for the 13 weeks ended May 3, 2025, compared to $313.1 million for the 13 weeks ended May 4, 2024. The decrease in net income is primarily related to the $44.7 million increase in SG&A expenses, the $4.9 million increase in income tax expense, and the $3.4 million decrease in interest income, net, partially offset by the $44.4 million increase in gross profit.

Liquidity and capital resources

Our primary sources of liquidity are cash and cash equivalents, cash flows from operations, and borrowings under our credit facility. The most significant components of our working capital are merchandise inventories, cash and cash equivalents, and receivables, reduced by accounts payable, deferred revenue, and accrued liabilities. As of May 3, 2025, February 1, 2025, and May 4, 2024, we had cash and cash equivalents of $454.6 million, $703.2 million, and $524.6 million, respectively.

Our primary cash needs are for rent, capital expenditures for new, remodeled, and relocated stores, increased merchandise inventories related to store expansion and new brand additions, supply chain improvements, share repurchases, and continued investment in our information technology systems.

Our most significant ongoing short-term cash requirements relate primarily to funding operations (including expenditures for lease expenses, inventory, labor, distribution, advertising and marketing, and tax liabilities) as well as periodic spend for capital expenditures, investments, and share repurchases. Our working capital needs are greatest from

August through November each year as a result of our inventory build-up during this period for the approaching holiday season.

Long-term cash requirements primarily relate to funding lease expenses and other purchase commitments.

We generally fund short-term and long-term cash requirements with cash from operating activities. We believe our primary sources of liquidity will satisfy our cash requirements over both the short term (the next twelve months) and long term.

Cash flows

We believe our ability to generate substantial cash from operating activities and readily secure financing at competitive rates are key strengths that give us significant flexibility to meet our short and long-term financial commitments.

The following table presents a summary of our cash flows:

	13 Weeks Ended	
(In thousands)	**May 3, 2025**	**May 4, 2024**
Net cash provided by operating activities	$ 220,021	$ 159,340
Net cash used in investing activities	(86,377)	(93,587)
Net cash used in financing activities	(382,216)	(307,751)

Operating activities

Operating activities consist of net income adjusted for certain non-cash items, including depreciation and amortization, non-cash lease expense, deferred income taxes, stock-based compensation expense, realized gains or losses on disposal of property and equipment, and the effect of working capital changes.

The increase in net cash provided by operating activities in the first quarter of fiscal 2025 compared to the first quarter of fiscal 2024 was mainly due to the timing of accounts payable and accrued liabilities and a smaller increase in merchandise inventories in the first quarter of fiscal 2025, partially offset by the net increase in other assets and liabilities and the decrease in net income.

The decrease in net income was primarily due to an increase in SG&A expenses, an increase in income tax expense, and a decrease in interest income, net, partially offset by an increase in gross profit resulting from higher sales.

Merchandise inventories, net were $2.1 billion at May 3, 2025, compared to $1.9 billion at May 4, 2024, representing an increase of $215.5 million or 11.3%. The increase in total inventory is primarily due to the following:

- $146 million increase due to new brand launches and strategic inventory investments; and
- $69 million increase due to the addition of 56 net new stores opened since May 4, 2024.

Investing activities

We have historically used cash primarily for new, remodeled, relocated, and refreshed stores, supply chain investments, short-term investments, and investments in information technology systems. Investing activities for capital expenditures were $79.0 million during the 13 weeks ended May 3, 2025 compared to $91.0 million during the 13 weeks ended May 4, 2024.

During the 13 weeks ended May 3, 2025, we opened six new stores, remodeled four stores, and relocated two stores, compared to the 13 weeks ended May 4, 2024, when we opened 12 new stores, closed two stores, and relocated one store.

The decrease in net cash used in investing activities in the first quarter of fiscal 2025 compared to the first quarter of fiscal 2024 was primarily due to lower capital expenditures for merchandising fixtures and information technology systems, partially offset by higher capital expenditures for supply chain investments, compared to the first quarter of fiscal 2024.

Our future investments will depend primarily on the number of new, remodeled, and relocated stores, information technology systems investments, and supply chain investments that we undertake and the timing of these expenditures. Based on past performance and current expectations, we believe our sources of liquidity will be sufficient to fund future capital expenditures.

Financing activities

Financing activities include share repurchases, borrowing and repayment of our revolving credit facility, and capital stock transactions. Purchases of treasury shares represent the fair value of common shares repurchased from plan participants in connection with shares withheld to satisfy minimum statutory tax obligations upon the vesting of restricted stock.

The increase in net cash used in financing activities in the first quarter of fiscal 2025 compared to the first quarter of fiscal 2024 was primarily due to an increase in share repurchases.

We had no borrowings outstanding under the credit facility as of May 3, 2025, February 1, 2025, and May 4, 2024. The zero outstanding borrowings position is due to a combination of factors including sales demand, overall performance of management initiatives including expense control, and inventory and other working capital reductions. We may require borrowings under the facility from time to time in future periods for unexpected business disruptions, to support our new store program, seasonal inventory needs, or share repurchases.

Share repurchase program

In March 2024, the Board of Directors authorized a share repurchase program (the March 2024 Share Repurchase Program) pursuant to which the Company could repurchase up to $2.0 billion of the Company's common stock. The March 2024 Share Repurchase Program authorization revoked the previously authorized but unused amounts from the earlier share repurchase program. The March 2024 Share Repurchase Program did not have an expiration date but provided for suspension or discontinuation at any time.

In October 2024, the Board of Directors authorized a share repurchase program (the October 2024 Share Repurchase Program) pursuant to which the Company may repurchase up to $3.0 billion of the Company's common stock. The October 2024 Share Repurchase Program authorization revoked the previously authorized but unused amounts from the March 2024 Share Repurchase Program. The October 2024 Share Repurchase Program does not have an expiration date and may be suspended or discontinued at any time.

A summary of common stock repurchase activity is presented in the following table:

	13 Weeks Ended	
(Dollars in millions)	May 3, 2025	May 4, 2024
Shares repurchased	986,733	588,044
Total cost of shares repurchased, including excise tax	$ 362.1	$ 287.4

Credit facility

On March 13, 2024, we entered into Amendment No. 3 to the Second Amended and Restated Loan Agreement (as so amended, the Loan Agreement) with Wells Fargo Bank, National Association, as Administrative Agent, Collateral Agent and a Lender thereunder; Wells Fargo Bank, National Association and JPMorgan Chase Bank, N.A., as Lead Arrangers and Bookrunners; JPMorgan Chase Bank, N.A., as Syndication Agent and a Lender; PNC Bank, National Association, as Documentation Agent and a Lender; and the other lenders party thereto. The Loan Agreement matures on March 13, 2029, provides maximum revolving loans equal to the lesser of $800.0 million or a percentage of eligible owned inventory and eligible owned receivables (which borrowing base may, at the election of the Company and satisfaction of certain conditions, include a percentage of qualified cash), contains a $50.0 million subfacility for letters of credit and allows the Company to increase the revolving facility by an additional $200.0 million, subject to the consent by each lender and other conditions. The Loan Agreement contains a requirement to maintain a fixed charge coverage ratio of not less than 1.0 to 1.0 during such periods when availability under the Loan Agreement falls below a specified threshold. Substantially all of the Company's assets are pledged as collateral for outstanding borrowings under the Loan Agreement. Outstanding borrowings bear interest, at the Company's election, at either a base rate plus a margin of 0.5% to 1.0% or the Term Secured Overnight Financing Rate plus a margin of 1.5% to 2.0%, and a credit spread adjustment of 0.10%, with such margins based on the Company's borrowing availability, and the unused line fee is 0.25% to 0.375% per annum.

As of May 3, 2025, February 1, 2025, and May 4, 2024 we had no borrowings outstanding under the credit facility.

As of May 3, 2025, we were in compliance with all terms and covenants of the Loan Agreement.

Seasonality

Our business is subject to seasonal fluctuation. Significant portions of our net sales and profits are realized during the fourth quarter of the fiscal year due to the holiday selling season. To a lesser extent, our business is also affected by Mother's Day and Valentine's Day. Any decrease in sales during these higher sales volume periods could have an adverse effect on our business, financial condition, or operating results for the entire fiscal year. Our quarterly results of operations have varied in the past and are likely to do so again in the future. As such, we believe that period-to-period comparisons of our results of operations should not be relied upon as an indication of our future performance.

Critical accounting policies and estimates

Management's discussion and analysis of financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these consolidated financial statements required the use of estimates and judgments that affect the reported amounts of our assets, liabilities, revenues, and expenses. Management bases estimates on historical experience and other assumptions it believes to be reasonable under the circumstances and evaluates these estimates on an on-going basis. Actual results may differ from these estimates. There have been no significant changes to the critical accounting policies and estimates included in our Annual Report on Form 10-K for the fiscal year ended February 1, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates. We continually monitor this risk and may develop strategies to manage it. We do not hold or issue financial instruments for trading purposes.

Interest rate risk

We are exposed to interest rate risks primarily through borrowings under our credit facility. Interest on our borrowings is based upon variable rates. We did not have any outstanding borrowings on the credit facility as of May 3, 2025, February 1, 2025, and May 4, 2024.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures over financial reporting

We have established disclosure controls and procedures to ensure that material information relating to the Company is made known to the officers who certify our financial reports and to the members of our senior management and Board of Directors.

Based on management's evaluation as of May 3, 2025, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934), are effective to ensure that the information required to be disclosed by us in our reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting

There were no changes to our internal controls over financial reporting during the 13 weeks ended May 3, 2025 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

See Note 6 to our consolidated financial statements, "Commitments and contingencies," for information on legal proceedings.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended February 1, 2025, which could materially affect our business, financial condition, financial results, or future performance. There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended February 1, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth repurchases of our common stock during the first quarter of 2025:

Period	Total number of shares purchased (1)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under plans or programs (in thousands) (2)
February 2, 2025 to March 1, 2025	539,161	$ 374.56	539,064	$ 2,495,826
March 2, 2025 to March 29, 2025	266,104	351.68	230,564	2,415,504
March 30, 2025 to May 3, 2025	217,550	365.28	217,105	2,337,006
13 weeks ended May 3, 2025	1,022,815	366.64	986,733	2,337,006

(1) There were 986,733 shares repurchased as part of our publicly announced share repurchase program during the 13 weeks ended May 3, 2025 and there were 36,082 shares transferred from employees in satisfaction of minimum statutory tax withholding obligations upon the vesting of restricted stock during the period.

(2) The Company may repurchase up to $3.0 billion of the Company's common stock under the share repurchase program the Board of Directors authorized in October 2024, which revoked the previously authorized but unused amounts under the share repurchase program the Board of Directors authorized in March 2024. As of May 3, 2025, $2.3 billion remained available under the October 2024 Share Repurchase Program.

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

None

Item 5. Other Information

During the 13 weeks ended May 3, 2025, no director or Section 16 officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

The exhibits listed in the Exhibit Index below are filed as part of this Quarterly Report on Form 10-Q.

EXHIBIT INDEX

			Incorporated by Reference			
Exhibit Number	**Description of document**	**Filed Herewith**	**Form**	**Exhibit Number**	**File Number**	**Filing Date**
3.1	Certificate of Incorporation of Ulta Beauty, Inc., as amended through June 1, 2023		8-K	3.1	001-33764	6/07/2023
3.2	Bylaws of Ulta Beauty, Inc., as amended through June 1, 2023		8-K	3.3	001-33764	6/07/2023
10.1	2025 Form of Stock Option Agreement under the Amended and Restated 2011 Incentive Award Plan	X				
31.1	Certification of the Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002	X				
31.2	Certification of the Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002	X				
32	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X				
101.INS	Inline XBRL Instance	X				
101.SCH	Inline XBRL Taxonomy Extension Schema	X				
101.CAL	Inline XBRL Taxonomy Extension Calculation	X				
101.LAB	Inline XBRL Taxonomy Extension Labels	X				
101.PRE	Inline XBRL Taxonomy Extension Presentation	X				
101.DEF	Inline XBRL Taxonomy Extension Definition	X				
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101).					

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on May 29, 2025 on its behalf by the undersigned, thereunto duly authorized.

ULTA BEAUTY, INC.

By: /s/ Paula M. Oyibo

Paula M. Oyibo
Chief Financial Officer and Treasurer
(principal financial and accounting officer and authorized signatory)

Exhibit 10.1

ULTA BEAUTY, INC.
AMENDED AND RESTATED 2011 INCENTIVE AWARD PLAN
OPTION AGREEMENT - CERTIFICATE

The following evidences a grant of an option (the "**Option**") to purchase shares of common stock of Ulta Beauty, Inc. (the "**Company**") pursuant to the Ulta Beauty, Inc. Amended and Restated 2011 Incentive Award Plan (the "**Plan**") to the following individual and upon the following terms:

Optionee:	Name**:** Address: Location-
Grant Date:	
Exercise Price Per Share:	
Total Number of Shares Granted:	
Type of Option:	

If designated as an Incentive Stock Option, this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code; provided, however, that to the extent that it does not so qualify that portion which does not so qualify shall be treated as a Non-Qualified Stock Option.

Unless otherwise defined herein, capitalized terms shall have the same meanings as set forth in the Plan.

1. **Vesting Schedule**. The Option shall vest and become exercisable based on Optionee's continued service as an Employee, Director or Consultant to the Company on the following dates and according to the following schedule:

[ADD VESTING SCHEDULE]

Notwithstanding the foregoing:

(A) The Option will be fully vested and exercisable if (i) Optionee has a Termination of Service by reason of death or Disability or (ii) Optionee has a Termination of Service without Cause within twelve (12) months following a Change in Control.

(B) If Optionee (i) violates the CIPCA (as defined herein) or (ii) has a Termination of Service for Cause, then the Option will be forfeited, whether or not previously vested, and all rights Optionee may have to exercise the Option shall immediately terminate. For this purpose "Cause" shall mean, as determined in the sole discretion of the Administrator, the Optionee's (i) commission of a felony; (ii) dishonesty or misrepresentation involving the Company; (iii) serious misconduct in the performance or non-performance of his or her responsibilities to the Company (e.g. gross negligence, willful misconduct, gross insubordination or unethical conduct); and (iv) if Optionee is an Employee, violation of any material condition of employment.

(C) If Optionee has a Termination of Service by reason of Optionee's Qualified Retirement, the Option will continue to vest and become exercisable for the term of the Option in accordance with the vesting schedule set forth above as if Optionee has not incurred a Termination of Service, provided, however, that if the Optionee owns, operates, or provides any advisory, employment, director or other similar services to any Competitive Business (as defined in the CIPCA) in the Restricted Area (as defined in the CIPCA) at any time during the two (2) years following Optionee's Termination of Service, then the Option will be immediately forfeited. For purposes of this Agreement "**Qualified Retirement**" shall mean Optionee's Termination of Service other than by the Company for Cause at such time that (x) Optionee has reached the age of 55, (y) the sum, rounded up to the nearest whole number, of Optionee's age (measured to two decimal points) and the number of years (measured to two decimal points) of uninterrupted service with the Company as an Employee, Consultant or Non-Employee Director, is greater than or equal to seventy (70), and (z) to the extent that the Termination of Service is a result of Optionee's resignation from the Company, Optionee has provided the Company with at least one (1) year prior written notice of Optionee's intent to retire (or such other shorter minimum advance written notice that is acceptable to the Administrator in its sole discretion), provided that the Holder continues to provide services during the notice period. The determination of the Administrator as to an individual's Qualified Retirement shall be conclusive on all parties.

2. **Option Period**. The Option shall be valid for a term commencing on the Grant Date and will expire the earliest of: (i) ten (10) years from the Grant Date; (ii) the date three (3) months after the Optionee's Termination of Service for any reason other than due to death, Disability, or Qualified Retirement or by the Company for Cause; (iii) the date twelve (12) months after the Optionee's Termination of Service by reason of death or Disability; (iv) the date of Optionee's Termination of Service for reasons of Cause; or (v) the date Optionee violates the terms of the CIPCA. For purposes of this Agreement "Disability" means that the Optionee qualifies to receive long-term disability payments under the Company's long-term disability insurance program, as it may be amended from time to time.

3. **Exercise**. The Option may be exercised at any time during its term to the extent vested. If Optionee has a Termination of Service any unvested portion of the Option will terminate and will no longer be exercisable, except as otherwise provided in Section 1(C). The Option may not be exercised for fractional shares. In order to exercise the Option, Optionee shall be required to execute such forms and provide such notice as the Company may require from time to time. The Option will not be deemed exercised until the Exercise Price for each share, plus any required tax withholding is delivered to the Company. The Exercise Price may be paid pursuant to any method allowable under the Plan.

4. **Non-Compete, Non-Solicitation and Confidential Information**. The grant of this Option is subject to either the Optionee's consenting to or having already consented to and abiding by the terms of the attached Confidential Information & Protective Covenants Agreement ("**CIPCA**").

5. **Withholding**. The Company has the authority to deduct or withhold, or require Optionee to remit to the Company, an amount sufficient to satisfy applicable federal, state, local and foreign taxes arising from this Option. Optionee may satisfy his or her tax obligation, in whole or in part : (i) with the consent of the Company, by having the Company withhold shares otherwise to be delivered with a fair market value equal to the minimum amount of the tax withholding obligation; (ii) with the consent of the Company, by having the Optionee surrender to the Company previously owned Common Stock with a fair market value equal to the minimum amount of the tax withholding obligation; (iii) by payment in cash or check; or (iv) with the consent of the Company, by delivery of a notice that the Optionee has placed a market sell order with a broker with respect to shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the withholding amount; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale.

6. **No Additional Rights**. Participation in the Plan is voluntary. The value of the option is an extraordinary item of compensation outside the scope of Optionee's employment contract, if any. As such, the option is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pensions or retirement benefits or similar payments unless specifically and otherwise provided in such plans. Rather, the awarding of an option under the Plan represents a mere investment opportunity.

7. **Not Transferable**. This Option is not transferable except by will or the laws of descent and distribution.

8. **Limitations on Plan Rights**. This Option is granted under and governed by the terms and conditions of the Plan. By acceptance of this Option Optionee acknowledges and agrees that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of an option under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of options or benefits in lieu of options in the future. Future grants of options, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of the grant, the number of stock options, vesting provisions, and the exercise price. The Plan has been introduced voluntarily by the Company and in accordance with the provisions of the Plan may be terminated by the Company at any time. By acceptance of this Option, Optionee consents to the provisions of the Plan and this Agreement. Defined terms used herein shall have the meaning set forth in the Plan, unless otherwise defined herein.

9. **Clawback**. Notwithstanding anything contained in herein to the contrary, by acceptance of this Option, Holder agrees that this Option (including, without limitation, any gains realized by Holder upon receipt or exercise of this Option or upon the receipt or resale of any shares issued upon exercise of this Option) shall be subject to recovery, reduction, cancellation, forfeiture, or repayment pursuant to the terms of the Company's Senior Leadership Clawback Policy or any other policy that the Company may implement in compliance with the requirements of applicable law, including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder.

10. **Severability, Waiver, Modification, Assignment, and Governing Law**.

(a) This Agreement may not be waived or modified except by written agreement of the Company and the Holder, or by court order.

(b) If either party waives the right to pursue a claim for the other's breach of any provision of the Agreement, the waiver will not extinguish that party's right to pursue a claim for a subsequent breach.

(c) If the forfeiture provisions of Section 1(C) of this Agreement are determined by a court of competent jurisdiction to be unenforceable because the definition of Competitive Business or Restricted Area are too broad, or the duration for forfeiture of the Option is too long, then the court shall modify such definitions and the duration to the extent necessary in order to make Section 1(C) enforceable. If any court determines that the forfeiture provisions in Section 1(C) of this Agreement are unenforceable despite the power to reform them, then Section 1(C) shall be removed from this Agreement in its entirety, and any unvested portion of the Option will terminate and will no longer be exercisable, retroactively, as provided in Section 3 as of and upon the Optionee's Termination of Service and the remaining provisions of this Agreement are not to be affected and should be given full effect.

(d) This Agreement will inure to the benefit of Company's successors in interest, affiliates, subsidiaries, parents, purchasers, or assignees, and may be enforced by any one or more of same, without need of any further authorization or agreement from Holder.

(e) The laws of the State where Employee is employed by the Company as of the Effective Date of this Agreement will govern this Agreement, and the rights of the Parties in any dispute arising from this Agreement.

(f) Any action relating to or arising from this Agreement must be brought in the courts of the State of Illinois or the federal district courts located in the State of Illinois (if sufficient grounds for federal court jurisdiction exist). Employee expressly consents to personal jurisdiction and venue in the aforementioned courts in any such action.

COMPANY:
ULTA BEAUTY, INC., a Delaware corporation
By:

Name: ______________________________
Title: Chief Human Resources Officer

Exhibit 31.1

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kecia L. Steelman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ulta Beauty, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 29, 2025

By: /s/ Kecia L. Steelman
Kecia L. Steelman
President and Chief Executive Officer and Director

Exhibit 31.2

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Paula M. Oyibo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ulta Beauty, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 29, 2025

By: /s/ Paula M. Oyibo
Paula M. Oyibo
Chief Financial Officer and Treasurer

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. §1350 (adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002), I, the President and Chief Executive Officer and Director of Ulta Beauty, Inc. (the "Company"), hereby certify that the Quarterly Report on Form 10-Q of the Company for the quarterly period ended May 3, 2025 (the "Report"), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: May 29, 2025

By: /s/ Kecia L. Steelman
Kecia L. Steelman
President and Chief Executive Officer and Director

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. §1350 (adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002), I, the Chief Financial Officer and Treasurer of Ulta Beauty, Inc. (the "Company"), hereby certify that the Quarterly Report on Form 10-Q of the Company for the quarterly period ended May 3, 2025 (the "Report"), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: May 29, 2025

By: /s/ Paula M. Oyibo
Paula M. Oyibo
Chief Financial Officer and Treasurer