Ulta Beauty, Inc (ULTA)

Back In The Spotlight



TradingView

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Ulta Beauty, Inc

Company profile

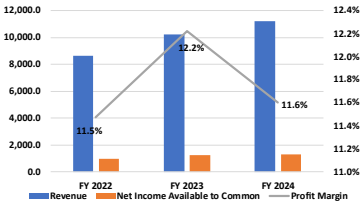
Ulta Beauty, Inc. is a U.S. specialty beauty retailer offering branded and private label cosmetics, fragrance, haircare, skincare, bath and body, professional hair products, and salon tools via stores, shop-in-shops, Ulta.com, and mobile apps. It also provides in-store beauty services, including hair, makeup, brow, and skin treatments.

Technical Data

Price	526.18
R1	579.00
R2	583.00
S1	507.00
S2	503.00

M+ Research, Bloomberg

Financial Snapshot



M+ Research, Bloomberg

Technical Outlook

Uptrend Remain Intact. ULTA's price action has shown a steady uptrend with a +19% YTD rally with the RSI trending above the 50 level. We believe the share price may consolidate around the USD 503–507 support band, given that volume remains relatively stable, before resuming its upward trajectory towards USD 579–583. A drop below the red line, or the USD 495 level, would invalidate the setup.

Trading Catalysts

1Q results came in above the consensus. After losing share in 2024 amid a drop-off in demand and fierce competition, ULTA is leveraging its digital as well as physical presence, drawing more customers and better engagement, which is reflected in its 1Q results that came in above consensus.

Capex rollout on stores expansion. With about 50% of its annual capex allocated to store expansion, we understand that ULTA plans to add ~60 new locations in CY25, escalating to 70 in ~CY26–27, to meet its three-year target of 200. It is also worth noting that ULTA able to deliver above average SSSG as well as gross margins to its peers.

Bigger salon to push growth. In our view, the doubling in usage to at least 10% could be a key differentiator for ULTA, boosting its sales growth as well as leveraging its underutilized, affordable in-store services. According to Bloomberg, this would increase the members spending, potentially adding up additional $500m/pa in sales.

Peer Comparison

Company	Ticker	Price (USD)	Market Cap (USD'bn)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend
Ulta Beauty, Inc	**ULTA**	**526.2**	**23.6**	**20.4**	**21.8**	**50.4**	**10.6**	**Positive bias**	**Up**
Bath & Body Works, Inc	BBWI	28.7	6.1	8.3	8.0	NM	10.9	Negative bias	Down
Best Buy Co, Inc	BBY	71.7	15.2	0.0	0.0	30.2	2.2	Oversold	Down
Tractor Supply Co, Inc	TSCO	59.7	31.6	0.0	0.0	45.3	7.4	Oversold	Down
Eaton Corporation Inc	WSM	205.4	25.3	23.2	23.7	51.1	14.6	Positive bias	Up
Avg ex-Ulta Beauty, Inc			**19.5**	**7.9**	**7.9**	**42.2**	**8.8**		

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