Lulu Retail
Q4 / FY24 Press Release

Lulu Retail Reports Preliminary FY 2024 Results
Revenue of $7.6 Billion, up 4.7% YoY, Dividend of $84.4 Mn (3 fils per share) equating to an 85% payout ratio, with 21 New Stores Opened in 2024

Abu Dhabi, UAE – 10 February 2025: Lulu Retail ("Lulu" or the "Company"), the largest and fastest growing pan GCC full line retailer, today announced its preliminary and unaudited financial results for the three-month and twelve-month periods ended 31 December 2024 ("Q4 2024" and "FY 2024").

Operational Highlights

Opened 21 New Stores *9 stores opened in Q4 2024* *Operating a total of 250 stores*	**$325.6 Mn E-com sales** *+70% YoY* *4.5% of total retail sales*	**5.5 Mn** *Happiness Loyalty Members*

FY 2024 Financial Highlights

Revenue: $7.6 Bn *+4.7% YoY* *LFL growth +2.3%*	**EBITDA: $786.3 Mn** *+4.4% YoY* *FY Margin of 10.32%*	**Net Profit: $249.2 Mn** *+12.4% YoY; Margin 3.3%* ***Net Profit from Continuing Operations: $216.2 Mn*** *+12.6% YoY; Margin 2.8%*	**Dividend: $84.4 Mn** *0.82 cents (3 fils) per share* *85% pay-out ratio on net profit from continuing operations*

Key Highlights:

- Good progress on new store rollouts, having opened a total of 21 new stores in 2024, including nine in Q4 2024, with the Company operating a total of 250 stores as at 31 December 2024
- Contribution from higher-margin Private Label products reached 29.6% of total retail revenue in FY 2024, a 110 bps increase YoY, with e-commerce sales up 70% YoY, representing 4.5% of total retail sales
- Lulu Happiness Loyalty program membership now live across all GCC countries, with approximately 5.5 million members, driving improved customer engagement
- FY 2024 revenue growth of 4.7% YoY, with LFL growth increasing by 2.3% in period, mainly driven by higher footfall across stores
- FY 2024 EBITDA increased by 4.4%, with margins of 10.32%, stable YoY, with gross margin expansion offset by higher lease expenses in KSA and Qatar; EBITDA margin post leases expanded by 118 bps to 6.3%
- Net profit from continuing operations totaled $216.2 million in FY 2024, up 12.6% YoY, with margins expanding by 20bps; Q4 2024 Net profit from continuing operations totaled $64.7 million, with net profit margin of 3.4%
- The Board of Directors has recommended a dividend of USD 84.4 million, equating to 3 fils per share, reflecting Lulu Retail's commitment to delivering shareholder value while maintaining financial flexibility to support future growth initiatives, in line with the Company's dividend policy
- Lulu is pleased to reiterate its medium-term targets and outlook
- Record IPO on ADX in November 2024 raised $1.72 billion with total aggregate demand of $37 billion - an oversubscription level of 25 times; Lulu also achieved numerous industry awards in the 2024 period

Saifee Rupawala, Chief Executive Officer of Lulu Retail, commented: *"The past 12 months have been transformative for Lulu Retail, underpinned by our significantly oversubscribed IPO on the ADX and robust growth across all aspects of our business. Our focus on expanding our store network which now totals 250 stores across the GCC and investing in higher-margin categories, coupled with the rapid evolution of our e-commerce platform, has delivered strong results whilst our Happiness Loyalty Program, which now has over 5.5 million members, continues to elevate customer engagement, fostering deeper connections with our communities. As we look toward 2025, we remain confident in our ability to build on this momentum, leveraging our operational strength and market leadership to capture new opportunities and create lasting value for our investors and customers alike."*

Continued Progress on Strategic Growth Pillars delivering resilient performance in FY 2024

Lulu Retail's growth strategy is focused on four key pillars: Enhancing its existing store network, expanding its store network, driving operational efficiencies and delivering revenue upside through Private Label and loyalty program expansion. The FY 2024 operational and financial performance is evidence of Lulu's strong operating model and the Company's continued progress on its strategic growth pillars. Lulu remains confident in delivering on its medium-term outlook, reinforcing its position as a growth-oriented, customer-centric market leader, maintaining its position as the largest full-line pan-GCC retailer.

Operational Highlights

Store Network

Lulu Retail continued to expand its store footprint in 2024, making good progress on its strategic growth pillar, having opened a total of 21 new stores in FY 2024. This was supported by the launch of nine new stores in Q4 2024 alone, in the form of seven express stores and two mini-markets, adding a total of 12,980 square meters of selling space.

Over the twelve-month period, Lulu introduced a total of six hypermarkets, 12 express stores, and three mini-markets, increasing total selling space by 5% YoY to 1.3 million square meters. Notably, the Company recently celebrated a key milestone following the opening of its 250th store in Jabal Omar, a key religious landmark in Makkah in the Kingdom of Saudi Arabia. Another landmark store in Madinah is expected to open in Q1 2025. Approximately 70% of Lulu stores opened in FY 2024 are within the express and mini-market store format, further supporting the Company's transition to an asset-light model.

As at the end of December 2024, Lulu operates a total of 117 hypermarkets, 109 express stores and 24 mini markets. New store rollouts remain a key focus area for Lulu, particularly across key high-growth focus markets such as the UAE and the Kingdom of Saudi Arabia.

Loyalty

Lulu's Happiness Loyalty Program continued to gain strong traction throughout the year, expanding across all GCC countries and reaching approximately 5.5 million members by the end of 2024, a remarkable achievement following its launch in January 2023, and compared to 5.0 million at 9M 2024 and 1.1 million at the end of 2023. The program has been instrumental in driving higher average basket sizes and enhancing customer retention, with approximately 65% of revenue linked to loyalty members during the month of December 2024. Lulu remains focused on leveraging loyalty data to drive customer retention across its existing stores, with the Happiness program providing valuable data insights that are driving sales and repeat purchases.

Financial Highlights

Group Revenue

Lulu Retail delivered solid revenue growth in Q4 2024, with revenue reaching $1.9 billion in the period, up 1.8% YoY. FY 2024 revenue increased by 4.7% YoY to $7.6 billion, with revenue growth driven by particularly strong performance in Oman and high-growth markets such as the UAE and the Kingdom of Saudi Arabia, alongside broad-based growth across key product categories.

Like-for-like (LFL) sales reached $159.7 million in FY 2024, up 2.3% YoY, with growth supported by initiatives to boost footfall and Lulu's strong focus on optimizing the product mix across stores to align with customer preferences alongside a strong uptick in Private Label revenue and e-commerce sales. Q4 2024 LFL sales declined marginally by 0.9% YoY, compared to growth of 0.3% YoY in Q4 2023, primarily due to softer sales in Saudi Arabia, Oman, and Kuwait.

EBITDA

FY 2024 EBITDA increased by 4.4% YoY to $786.3 million, with stable margins of 10.32%, driven by an improvement in gross margins and offset by higher operating expenses from lease modifications in KSA and Qatar, where lease costs are now recognized as an Operating Expenditure rather than Depreciation on Right-of-Use Assets and Interest on Lease Liabilities. On a lease-adjusted basis, EBITDA margins expanded by 118 bps to 6.3%, driven by strong underlying operational performance.

Lulu's strong EBITDA performance in FY 2024 was supported by a c.20 bps Gross Margin expansion in the period, driven by an improvement in Lulu Retail's product mix and an increase in sales across higher-margin categories, including Private Label products, which represents 29.6% of total retail revenue. Lulu's Private Label products span across fresh food, consumer packaged goods, lifestyle products, and electrical goods.

Q4 2024 EBITDA totaled $219.2 million, up 0.6% YoY, with an EBITDA margin of 11.57%, compared to 11.71% in Q4 2023. EBITDA adjusted for post-lease expenses expanded by 111 bps YoY to 7.5%, underscoring robust operational efficiency.

Net Profit

Net Profit from Continuing Operations saw strong double-digit growth of 12.6% YoY to $216.3 million in FY 2024, with net profit margin improving by 20 bps to 2.8%, driven by an improvement in operating profit and enhanced performance in EBIT margin. Q4 2024 Net Profit from Continuing Operations totaled $64.7 million, down 38.1% YoY, mainly due to slower revenue growth and higher interest charges resulting from increased working capital debt. Excluding the one-off gain of USD 31 million from lease modifications in Q4 2023, Q4 2024 net profit from continuing operations was down 12% year-on-year.

Cash Generation and Balance Sheet

Capital expenditure for continuing operations totaled $136.7 million in FY 2024, representing 1.8% of total revenue compared to $149.5 million, or 2.1% of revenue in FY 2023. The lower capital expenditure reflects Lulu's gradual transition to an asset-light model, which requires lower capital investment, with the Company continuing to make good progress on its more focused investments and expansion plans.

Cash Flow (excluding discontinued operations) totaled $649.7 million in FY 2024, reflecting a healthy cash conversion ratio of 82.6% which improved 245 bps compared to FY 2023. The strong performance is supported by continued EBITDA expansion alongside Gross margin improvements and growth in other operating income. Cash conversion was further aided by lower capital expenditure in FY 2024, where c.70% of the stores opened in the year were the smaller express and mini-market formats, further supporting the Company's gradual transition to an asset light model.

As of December 31, 2024, Net Debt stood at $2.5 billion, with a Net Debt/EBITDA ratio of 3.2x on an IFRS-16 basis, compared to 3.2x at 9M 2024. Excluding leases, Net Debt/EBITDA improved to 1.3x in December 2024 from 1.4x in the nine-month period, positioning the Company well to continue investing in future growth.

Dividend

Lulu Retail's Board of Directors have proposed a dividend of 0.82 cents (3 fils) per share for FY24, subject to shareholder approval at the upcoming Annual General Meeting (AGM). This represents a total payout of $84.4 million, equating to 85% of the semi-annual distributable profit after tax from continuing operations, in line with the Company's dividend policy.

The strong financial results achieved in FY24, underpinned by healthy cash flows and disciplined capital management, have enabled the Board to recommend this payout. Going forward, Lulu Retail endeavours to maintain a total dividend payout ratio of 75% of annual distributable profit after tax, paid semi-annually. This policy reflects the company's commitment to rewarding shareholders while ensuring sufficient retained earnings to support future growth and operational resilience.

Key Financials

$'000	Q4 2023	Q4 2024	%Δ	FY 2023	FY 2024	%Δ
Revenue	**1,861,029**	**1,894,089**	**+1.8%**	**7,277,956**	**7,620,802**	**+4.7%**
EBITDA	**217,917**	**219,185**	**+0.6%**	**753,350**	**786,346**	**+4.4%**
EBITDA Margin	*11.71%*	*11.57%*	*-14bps*	*10.35%*	*10.32%*	*-3bps*
EBITDA post leases*	118,950	142,167	+19.5%	372,570	480,299	+28.9%
EBITDA margin post leases	***6.4%***	***7.5%***	***+111 bps***	***5.1%***	***6.3%***	***+118 bps***
Net Profit from continuing operations	**104,586**	**64,744**	**-38.1%[2]**	**192,044**	**216,280**	**+12.6%**
Profit from discontinued Operations	45,546	-	-	29,722	32,916	+10.7%
Net Profit for the year	**150,132**	**64,744**	**-56.9%**	**221,766**	**249,196**	**+12.4%**

** Higher operating expenses from lease modifications in KSA and Qatar, where lease costs for the year 2024 were recognized as Operating Expenditure rather than Depreciation on Right-of-Use Assets and Interest on Lease Liabilities.*
*** Excluding one-off gain of USD 31 million from lease modifications in Q4 2023, Q4 2024 net profit from continuing operations was down 12% YoY.*

About Lulu Retail

Founded in 1974, Lulu Retail, together with its subsidiaries, is the largest pan-GCC full-line retailer by selling space, sales and number of stores, operating more than 250 hypermarket, express and mini-market stores across the six GCC countries. The Group also operates a growing e-commerce presence through its mobile app, webstore and partner channels. To serve more than 650,000 shoppers from 130 nationalities every day, the Group sources products from 85 countries, enabled by an on-the-ground sourcing presence in 19 countries. The Group's strong brand recognition and trust among consumers in the GCC is enabling the growth of its existing stores, expansion of its store network and elevated loyalty across its customer base.

Contact Investor Relations

investor.relations@ae.lulumea.com