

Lulu Retail reports Q1 2025 revenue of \$2.1 billion, up 7.3% year-on-year Continued progress on growth strategy, opened five new stores

Abu Dhabi, UAE – 13 May 2025: Lulu Retail Holdings PLC (“Lulu” or the “Company”), the largest and fastest growing pan GCC full line retailer, today announced its financial results for the three-month period ended 31 March 2025 (“Q1 2025”).

Key highlights

- Q1 2025 revenue of \$2.1 billion, up 7.3% YoY, with like-for-like sales up 3.6% YoY driven by strong sales during Ramadan period and volume growth in certain product categories
- EBITDA of \$214.1 million, up 6.4% YoY, with EBITDA margin of 10.3%, stable vs. Q1 2024
- Net profit of \$69.7m, up 15.8% YoY, with net profit margin of 3.4%, up 25bps vs. Q1 2024
- Good strategic progress with five new stores opened in Q1 2025 including in Makkah and Madinah with the target for 20 new stores in 2025 unchanged
- E-commerce sales grew strongly, up 25.3% YoY to \$93.4 million; now 4.7% of retail revenue
- Strong growth in revenue from Private Label products, up 9.5% YoY; 29.3% of retail revenue
- Happiness loyalty program members reached c.6.3 million in Q1 vs. c.5.5 million in FY24; linked to 65% of sales

Saifee Rupawala, Chief Executive Officer of Lulu, commented: *“We are pleased to have demonstrated good growth in the first quarter of this year, with revenue up 7.3% YoY. This was underpinned by a combination of like-for-like sales growth, supported by strong trading during the Ramadan period, and our store rollout programme, which remains well on track with five stores opened in the quarter, in line with our plan to rollout a total of 20 stores in 2025. The first quarter also saw Lulu make good progress on delivering on our overall growth strategy, supported by robust sales in Private Label and e-commerce, which remain key components of our strategy.”*

“Looking ahead, we expect our growth momentum to continue as we remain focused on several initiatives under each of our four key pillars, including driving growth in existing store network, opening new stores, driving operational efficiencies and delivering further upside through our private label and e-commerce offerings. Overall, we are pleased with the performance in the first quarter, marking a good start to 2025, and we look forward to continuing to deliver on our strategy throughout the rest of the year.”

Financial summary

Revenue performance driven by LFL sales and new store expansion

Revenue grew a healthy 7.3% YoY to \$2.1 billion in Q1 2025 driven by LFL sales growth of 3.6%, supported by strong trading during the Ramadan period. The good revenue performance was also driven by new store openings and high-volume growth across certain product categories, particularly in fresh food and lifestyle products.

- Fresh food category revenue grew 7.9% YoY in the first quarter, driven by the Ramadan period, improved consumption trends.
- Electrical goods category witnessed revenue growth of 29.0% YoY, mainly due to an increase in sales across higher value items.
- Lifestyle products grew 6.9% YoY despite pressure as customers opted for more value

products.

- Consumer Packaged Goods (CPG) sales grew steadily at 1.4% YoY, with the sales increase mainly driven by strong volume growth, which was partly offset by some pricing pressure as a result of promotional campaigns.
- E-commerce remains an important component of Lulu's growth strategy, with sales +25.3% YoY and customer count +26.1% YoY.

Segment revenue performance driven by growth across all markets

Lulu delivered revenue growth across all segments in Q1 2025, with particularly strong performances in KSA and Oman.

- The UAE, Lulu's largest market, recorded a mid-single digit revenue increase of 5.2% YoY, led by particularly strong performance in the fresh food segment, which grew 15.6% YoY. This was further supported by strong e-commerce sales in the UAE which saw robust growth, rising 40.1% YoY, supported by an increase in sales through aggregators.
- In the Kingdom of Saudi Arabia, revenue rose by 10.3% YoY, primarily driven by new store openings in last 12 months and strong LFL growth.

Other key markets also delivered solid results in Q1 2025, with revenue in Oman increasing 7.8% YoY as a result of strong growth in the electrical goods product category, Qatar up 6.7% YoY following a good trading period during festive season, and Kuwait up 4.8% YoY, with supermarket sales contributing c.50% of overall growth in the region, further supported by a strong uptick in e-commerce sales.

Profitability margins supported by cost efficiencies amidst promotional activity

Gross profit increased 4.0% YoY to \$464.5 million, with gross margins reaching 22.3% in the period, down 70 basis points compared to the prior year. This margin reduction was mainly due to promotional campaigns to drive higher footfall into Lulu stores during the festive period. EBITDA grew 6.4% YoY to \$214.1 million, supported by improved operational cost efficiencies, which helped offset the lower gross margin. As a result, Q1 2025 EBITDA margin remained broadly stable at 10.3% compared to 10.4% in Q1 2024. On a post-lease expense basis, EBITDA margin improved by approximately 8 bps, reflecting Lulu's continued operational discipline. Net profit increased by 15.8% to \$69.7 million, with net profit margins improving by 25 basis points as a result of stronger EBIT margin and lower interest expense, despite higher taxes in the period.

Robust balance sheet

During the quarter, net debt decreased to \$2.3 billion, with net debt/EBITDA improved from 3.2x in December 2024 to 2.9x at the end of Q1 2025. Excluding lease liabilities, leverage improved from 1.3x to 0.9x over the same period.

Strategic progress

Lulu continues to make good progress on delivering on its growth strategy, having rolled out five new stores in the period, delivered good LFL growth within its existing stores and also benefitting from further upside opportunities across Private Label and e-commerce sales.

During Q1 2025, Lulu opened two hypermarkets and three express stores, adding 22,339 sqm of retail space in the period, with the Company's total retail space up 2% to 1.34 million sqm, as at the end of Q1 2025. Within this, Lulu was pleased to open a 10k+ sqm hypermarket in Makkah

and an express store in Madinah, two uniquely located stores with high footfall given the proximity to religious landmark cities in KSA. In addition to the two stores in KSA, Lulu also opened two express stores in the UAE, alongside a Hypermarket in Bahrain. Lulu remains on track with its store roll out plans, with the Company expending to open a total of 20 stores in 2025, with the remaining 15 stores expected to open over the course of the year.

Lulu is also pleased to have signed a Memorandum of Understanding (MOU) with The Endowment and Minors Trust Foundation (Awqaf Dubai) for the development of a group of retail stores as part of Dubai's endowment projects. Under the partnership, Lulu will collaborate with Awqaf Dubai on upcoming community projects to develop shopping facilities that will better serve and enhance the retail experience of residents and visitors, while also contributing to Awqaf's broader social and economic objectives.

Following the successful roll out of its loyalty program across all regions in 2024, Lulu's Happiness Loyalty programme continues to see good momentum in new members, having added c.904k new members in Q1 2025. Lulu now has a total of c.6.3 million loyalty members enrolled onto the program compared to the c.5.5 million at the end of 2024, with the loyalty program linked to c.65% of sales.

Earnings conference call

A conference call to present earnings, followed by a Q&A session with management will be held on Wednesday 14 May 2025 at 14.00 (GST) / 11.00 (BST). Interested parties are invited to join the call by clicking [here](#).

Summary financials and store portfolio

\$ million	Q1 2024	Q1 2025	YoY Growth
Revenue	1,940	2,080	7.3%
Gross profit	447	465	4.0%
EBITDA	201	214	6.4%
Profit before tax	65	79	21.6%
Net income	60	70	15.8%

Country	FY 2024	Q1 2025	Change
UAE	107	109	+2
KSA	59	61	+2
Oman	32	32	
Qatar	24	24	
Kuwait	16	16	
Bahrain	12	13	+1
Total	250	255	+5

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 255 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 685,000 daily 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.

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