Lulu reports $2bn in Q2 2026 revenue, six new stores opened
Declares interim dividend of 3 fils per share

Abu Dhabi, UAE – 13 August 2026: Lulu Retail Holdings PLC ("Lulu" or the "Company"), the largest pan-GCC full-line retailer, today announced its financial results for the three month period ended 30 June 2026 ("Q2 2026").

Key highlights

- Q2 2026 revenue of $2.0bn (-2.3% year-on-year) as growth in food sales offset by lower non-food sales
- Recorded gross profit of $453m, EBITDA $182m, net income $42m
- Business-as-usual continues for customers, all stores remain open and fully stocked despite broader regional situation
- Board declares interim dividend of 3 fils per share for H1. Equates to $84m or 95% of H1 net profit, in excess of 75% stated payout policy
- Six new stores were opened in Q2 2026. The Company now expects to exceed its full-year store opening target, supported by a higher number of smaller-format openings
- Investment in Lulu e-commerce delivered returns with revenue more than doubling year-on-year. Penetration reached 8.9% of retail sales in Q2 2026
- Private label sales proportion, Happiness membership and customer count all increased year-on-year

Saifee Rupawala, Chief Executive Officer of Lulu, commented: *"Despite the disruption earlier in the year, we have seen that trading conditions have begun to normalise. Although the weaker consumer environment impacted non-food sales in Q2, I am pleased that the Company returned to modest growth in July. Our expansion plans and strategic projects remain on track. This includes the investment and focus on our e-commerce offering which has more than doubled in less than a year. The combination of our growing customer base and new stores positions us well for future growth."*

Financial summary

Revenue of $2.0 billion

Q2 2026 revenue declined by 2.3% to $1,971 million. Within this food revenue grew modestly but was offset by lower non-food sales. This reflected the weaker consumer sentiment on discretionary spending. Revenue was also impacted by changes in product mix, with slower sales in high value electrical categories and market-driven price reductions in lifestyle products. Six new stores were opened in the period which were Mini Market and Express format, contributing to the growth in food sales.

Revenue was supported by continued high growth in e-commerce. Year-on-year growth was 53% in Q2 2026, totalling $165m or 8.9% of retail sales. This was primarily driven by very high growth

in Lulu e-commerce, which expanded 138% during the quarter following continued modest investment.

Profitability maintained

During Q2 2026 the Company continued to experience increased input cost pressures. Despite this, gross margin was broadly stable at 23.0% (23.2% in Q2 2025), which delivered gross profit of $453m for the period. Lulu's disciplined approach to cost management resulted in a very modest 1.2% increase in operating expenses over the period. Operating expenses at existing stores fell and cost optimisation initiatives resulted in a decline in employee costs over the period even including new store openings. EBITDA for the period totalled $182m and net income $42m.

Robust balance sheet

In H1 2026 the Company's balance sheet remained strong and stable. Capex as a percentage of sales remained flat at 1.3%. Net debt increased slightly over the quarter after payment of the dividend. The Company's leverage ratios of net debt/EBITDA of 3.5x on an IFRS 16 basis and 1.2x excluding lease liabilities remain stable and conservative.

Interim dividend declared

The Board has declared interim dividend of $84 million which represents 3 fils per share. This equates to a payout ratio of 95% of H1 2026 distributable profit of $89m. The dividend timetable is as follows:

Event	Date
Last Entitlement Date	20 August 2026
Ex-Dividend Date	21 August 2026
Record Date	24 August 2026
Payment Date	Within 30 days of Board meeting

Strategic progress

Lulu's store expansion plans remain on track with a further six opened during the period. These comprised four Mini Markets in KSA and an Express and Mini Market in the UAE. Together this added a total of 2,997 square meters. Given the increased mix of smaller-format stores, the number of openings in 2026 is now anticipated to be above the previously guided range of 18–20, while total retail space added during the year is expected to remain broadly consistent with prior expectations.

Lulu continues to strengthen its food proposition through competitive pricing, improved availability, stronger fresh food and expanded private-label ranges. The Company is also leveraging loyalty insights, digital channels and better replenishment and waste management to support traffic, basket growth and profitability.

Lulu's non-food strategy remains focused on driving growth across channels, improving assortment relevance and enhancing profitability. Priorities include expanding digital and marketplace reach, strengthening supplier partnerships and product availability, refreshing

fashion assortments, and improving inventory and promotional management. While discretionary demand remains cautious, seasonal trading and ongoing commercial initiatives are expected to support improved revenue and margins in H2 2026.

Lulu is progressing a strategic acquisition in Seychelles. The Board has approved the acquisition, through its subsidiaries, of the Seychelles business from subsidiaries of Lulu International Holdings Limited (a related party) for $750, representing the purchase of shares at par value. One store is proposed in this high-income, import-dependent market with limited modern grocery retail.

Earnings conference call

A conference call to present earnings, followed by a Q&A session with management will be held on Friday 14th August 2026, at 9:30 AM UAE time. Interested parties can join the call by clicking here.

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 283 Hypermarket, Express and Mini Market stores across the six GCC countries, as of 30 June 2026. The Group also operates a growing e-commerce presence through its mobile app, webstore and partner channels. To serve more than 695,000 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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