Lulu reports Q3 2026 revenue +2% to $1.9bn
Five new stores opened

Abu Dhabi, UAE – 5 November 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 September 2026 ("Q3 2026").

Key highlights

- Q3 2026 revenue of $1.9bn (+2.0% year-on-year)
- Food sales in the quarter grew every month year-on-year, non-food sales recovering
- Recorded gross profit of $444m, EBITDA $175m, net income $29m
- Five new stores were opened in Q3 2026, adding 18.8k sqm of selling space
- E-commerce grew >50% year-on-year with penetration now at 9.7% of retail sales
- Key business drivers including private label sales and Happiness loyalty linked sales remain resilient

Saifee Rupawala, Chief Executive Officer of Lulu, commented: *"Although uncertainty remains, I am pleased to see that trading conditions have continued to normalise. Revenue growth in Q3 is encouraging and this gives us optimism as we go into Q4 and next year. From a strategy perspective, tight focus on operating expenses has ensured the Company remains profitable. This has included a reduction in costs at our existing stores. Ongoing strategic initiatives include rapid e-commerce expansion where sales on our own platform have more than doubled year-to-date. This combined with new store openings positions us to continue growing in the years ahead."*

Financial summary

Revenue growth to $1.9 billion

Q3 2026 revenue increased 2.0% to $1,935 million. A similar pattern to the previous quarter emerged with food revenue growing every month, but non-food sales continued to be impacted by weak consumer sentiment. Despite this, non-food performance trends improved in Q3 2026 compared to Q2 2026.

Revenue was supported by five new store openings in the period, taking year-to-date openings to 22 stores. Revenue also benefitted from continued high growth in e-commerce, where Lulu continues to capture the shift to online. Sales increased 53% over the prior year period and comprised 9.7% of retail sales over the quarter. Growth is being driven by Lulu's own platform, which more than doubled year-on-year and continued to expand much faster than sales through aggregators.

Profitability maintained

Gross profit was $444 million for the period. Gross margin was affected by input cost pressures

and limited pricing pass-through. EBITDA was supported by lower operating costs across the mature store network. Accordingly, the increase in total operating expenses of 1% was primarily driven by new store openings. EBITDA for the period totalled $175 million and net income $29 million.

Disciplined capital allocation

The Company's balance sheet remains strong and able to support the Company's operational and expansion priorities. For 9M 2026 capex totalled $78 million or 1.3% of sales, a slight decline from $83 million and 1.4% over the prior year period. Working capital increased in Q3 2026, primarily reflecting a strategic increase in inventory holdings to strengthen supply chain resilience and ensure product availability. Because of this and the dividend payment, financial debt increased compared to the year end position. At the end of Q3 2026, the Company's leverage ratios of net debt/EBITDA stood at 3.8x on an IFRS 16 basis and 1.7x excluding lease liabilities.

Operational resilience

Despite ongoing regional uncertainty, Lulu has maintained business continuity through proactive management efforts. The Group leveraged its diversified sourcing network and increased inventory buffers to ensure product availability. Disciplined cost management and selective pricing adjustments have helped protect margins and competitiveness, reinforcing operational resilience amid ongoing uncertainties.

Strategic progress

Lulu opened five stores during Q3 2026 in KSA (2), UAE (1), Oman (1) and Kuwait (1). By format the openings comprised two Hypermarkets, two Express stores and one Mini Market. These openings added 18,776 square metres of retail space. The Company continues to progress on its store opening plans between 2027 and 2031. Openings are expected to be weighted to the earlier years. Approximately one third of these stores will be located in the UAE, focused on the Abu Dhabi and Dubai regions. Approximately one third will be in KSA with concentration in western and central regions and the remaining one third will be spread across the other GCC markets. Over three quarters are expected to be Express or Mini Market format and under one quarter Hypermarkets. The Company expects these selective further openings to deliver continued growth into the medium term and beyond.

As customer preference for online shopping continues to increase, Lulu's offering is growing and developing to meet this need. Lulu's highly rated app has been re-engineered with live order tracking and new search functionality and now has over one million active monthly users. The number of online stores has broadly doubled in the past year to support this growth. Future development includes AI innovations in-app along with additional revenue opportunities from payments and retail media.

Lulu's Happiness loyalty programme maintained strong momentum in Q3 2026, with membership reaching 10.0 million across the GCC. Lulu continues to leverage loyalty data, personalised promotions and ecosystem partnerships to drive customer retention, increase spend and deepen

engagement across channels.

The Company continues to pursue projects to grow revenue and margins longer term. The Group continues to advance its digital transformation and operational efficiency initiatives, with its supply chain forecasting and replenishment solution now deployed across over 80% of stores. Further opportunities for margin enhancement and revenue diversification are being pursued through operational optimisation, data monetisation and retail media.

Earnings conference call

Lulu Retail will host an earnings conference call followed by a Q&A session for investors and analysts on Friday, 6 November 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 288 Hypermarket, Express and Mini Market stores across the six GCC countries, as of 30 September 2026. The Group also operates a growing e-commerce presence through its mobile app, webstore and partner channels. To serve more than 669,000 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.

Investor Relations enquiries
investor.relations@ae.lulumea.com
https://www.luluretail.com/investors