

## Lulu reports \$2bn in Q1 2026 revenue 11 new stores opened

**Abu Dhabi, UAE – 11 May 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 31 March 2026 (“Q1 2026”).

### Key highlights

- Q1 2026 revenue of \$2.0bn (-2.9% year-on-year) as growth in January and February was offset by lower non-food sales in March
- Recorded gross profit of \$449m, EBITDA \$192m, net income \$47m
- Contingency planning delivered business-as-usual for customers in Q1: all stores open and fully stocked
- 11 new stores were opened in Q1 2026, in line with business plan. Guidance of 18-20 for 2026 remains in place
- E-commerce acceleration gathers pace with sales of \$150m, +61% year-on-year and accounting for 7.9% of retail sales in Q1 2026
- Higher margin private label products increased almost 1% to reach 30.2% of sales as customers sought value amidst economic uncertainty
- Renewed focus on Happiness loyalty programme resulted in linked sales c.70% in Q1 2026, supported by 610k new members

**Saifee Rupawala, Chief Executive Officer of Lulu, commented:** *“We are proud to have served our customers throughout a difficult period of time. The fact that our stores have all remained open for business and well stocked is testament to the hard work of our staff alongside support across the six GCC countries. The year started well, but some slowdown in department stores was seen in March. Nevertheless, we have been able to open 11 new stores and are confident that we have the platform and offering for our customers which will deliver growth as trading conditions normalise.”*

### Financial summary

#### Revenue of \$2.0 billion

Q1 2026 revenue declined by 2.9% to \$2,020 million. Trading in January and February was in line with the Company’s expectations and previously stated guidance. However, March saw a slowdown, particularly in non-food sales. Revenue in the quarter was supported by 11 new store openings.

- Sales performance by category was mixed. Revenue from Consumer Packaged Goods and Fresh Food increased year-on-year. This was offset by a modest decline in Lifestyle and a particularly pronounced decline in Electrical which was mostly during March.

- Growth in e-commerce accelerated in Q1 2026. Year-on-year sales increased 61% to \$150m. As a proportion of total sales this accounted for 7.9%, which is a 315 basis point increase from Q1 2025. The investment in Lulu's own channels continues to deliver returns and growth at a faster rate than sales through aggregators. Total transactions through Lulu's e-commerce platform were broadly double the prior year period.
- The more challenging trading backdrop led to higher demand for Lulu's private label categories as customers sought the benefit of quality at attractive prices. Retail sales penetration reached 30.2%, an improvement of almost 1% on the prior period, which supported gross margin in the quarter.

### **Gross margin broadly flat**

Despite the higher costs arising from supply chain disruption in Q1 2026, the Company was able to deliver gross margin aligned to the prior period (22.2% vs 22.3% in Q1 2025). Within the quarter there was some variation as margin enhancement initiatives delivered a significant improvement in January and February. This uplift was largely offset in March as margins came under pressure from higher logistics costs. EBITDA for the period totalled \$192m. Despite new store openings, operating expenses (excluding depreciation) increased by just 1.1% year-on-year. Cost discipline and optimization initiatives led to a year-on-year decline in operating expenses at mature stores. Whilst the Company expanded net income margin in January and February, the impact of lower sales in March resulted in lower net income for Q1 2026 of \$47m.

### **Strong balance sheet maintained**

The Company's balance sheet remains strong and able to withstand the challenging backdrop. Capex as a percentage of sales remained at 1.3% per the prior period and working capital improved over the quarter. Net debt decreased slightly compared to year end, with higher lease liabilities offset by lower financial debt. The balance of \$2.5bn equates to a net debt/EBITDA ratio of 3.3x on an IFRS 16 basis and 0.9x excluding lease liabilities, down from 1.1x at the end of the last reported period.

### **Strategic progress**

Lulu continues to open stores in line with its expansion plans. Whilst expectations for the year remain 18-20 stores, the openings were weighted to the first quarter. As such a total of 11 stores were opened in Q1 2026. All were Express format and totalled 20,153 square metres, split across UAE (6), KSA (2), Kuwait (2) and Oman (1). Following a business review, one Mini Market in UAE was closed with a footprint of only 227 square metres.

E-commerce continues to be an important growth driver for the Company. Sales of \$150m in Q1 2026 equates to 61% growth year-on-year and penetration of 7.9%, a 315 basis point increase from the prior period last year. Sales through Lulu's own platform continue to grow at a faster rate than through aggregators and total transactions through Lulu's platform broadly doubled compared to Q1 2025. Trading benefited from the launch of a refreshed app and website. In the coming months the Company intends to continue to expand omnichannel fulfilment, increase non-food categories on digital platforms and introduce AI-based customer recommendations and

personalisation.

In addition to growth, the Company continues to seek margin improvements through its broader productivity and efficiency agenda. Current programmes include increasing centralisation to improve productivity, reduce duplication and standardise practices. Further efficiencies have been delivered through operating improvements, cost control and space optimisation. Margin improvements have been delivered by SKU rationalisation, disciplined promotions, wastage reduction and stronger private label merchandising. Benefits have been delivered in Q1 2026 as operating costs in mature stores declined, partly attributable to a mid-single digit percentage reduction in staff costs in existing stores. This kept the overall increase in operating expenses (excluding depreciation) to just 1.1% year-on-year, which was a function of new store openings.

### **Earnings conference call**

A conference call to present earnings, followed by a Q&A session with management will be held on Tuesday 12 May 2026 at 4.30PM UAE time. Interested parties are invited to join the call by clicking [here](#).

## Summary store portfolio

Country	Q4 2025	Q1 2026	Change
UAE <sup>1</sup>	116	121	+5
KSA	65	67	+2
Oman	32	33	+1
Qatar	24	24	-
Kuwait	17	19	+2
Bahrain	13	13	-
<b>Total</b>	<b>267</b>	<b>277</b>	<b>+10</b>

1. Six Express stores were opened and one Mini Market was closed

## 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 277 hypermarket, express and mini-market stores across the six GCC countries, as of 31 March 2026. The Group also operates a growing e-commerce presence through its mobile app, webstore and partner channels. To serve more than 690,000 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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