

Seera Group Holdings Reports a Net Profit before NCI of SAR 61 million for 1Q 2024

- Net booking value rose 30% to SAR 3,433 million, reflecting continued growth across all segments and new acquisition under the UK-based travel investment .
- Revenues for 1Q 2024 increased 36% year-on-year to SAR 1,078 million, driven by continued growth in the car rental and travel platform segments and the new acquisitions within Portman Travel Group.
- Gross margins as a percentage of NBV improved by 1.6 percentage points to 13.4% in 1Q 2024, helped by an improved product mix and average margins within the travel businesses.
- Positive operating leverage was maintained with operating expenses growing at 38% year-on-year.
- 1Q 2024 saw a net profit before non-controlling interest of SAR 61 million.. Excluding the impact of one-off reversal of impairment loss amounting to SAR 12 million in 1Q 2023, the company posted a normalised net profit of SAR 45 million in 1Q 2023, which is a 36% increase in 1Q 2024 over 2023.
- Net Debt to Equity remained at very conservative levels at 0.28x.
- Seera is committed to further deleveraging the balance sheet, pursuing a returns-based portfolio approach, and improving future shareholder returns.

Riyadh, 16 May 2024 – Seera Group Holdings, which comprises a portfolio of market-leading businesses in travel, car rental and hospitality, today announces its financial results for the three months ended 31 March 2024.

SARm	1Q 2024	1Q 2023	Change
Net Booking Value	3,433	2,637	+30%
Revenue	1,078	794	+36%
Gross Profit	460	312	+48%
Gross Profit Margin, % of NBV	13.4%	11.8%	+1.6 ppt
Operating expenses	(352)	(256)	+38%
EBITDA	237	197	+20%
Net Profit ¹	61	57	+7%
Earnings Per Share (SAR)	0.15	0.18	-17%

Group Financial Highlights

¹ Net profit before non-controlling interest including one-off reversal of impairment loss amounting to SAR 12 million in 1Q 2023.

In 1Q 2024, Seera reported strong results with substantial booking volumes and revenue that translated into positive bottom-line for the quarter. Net booking value reached SAR 3,433 million, a 30% increase from same quarter of the previous year. Revenues climbed to SAR 1,078 million, up 36% from SAR 794 million in 1Q 2023, primarily due to strategic acquisitions in Portman and expansion in Lumi. EBITDA grew by 20% to SAR 237 million. The Net Profit increased by 7% to SAR 61 million, and earnings per share were lower by 17% to SAR 0.15, affected by the deduction of Lumi's non-controlling interest post-IPO and higher finance charges driven by elevated interest rate environment.

Strategic Business Segment Review

1. Almosafer – Travel Platform

Almosafer, Saudi Arabia's premier travel platform, elevating the journey for customers from Saudi Arabia, the region, and beyond. Its diverse business lines include consumer travel, corporate and government travel, destination management, and Hajj & Umrah services. Additionally, what began as an online distribution component within destination management has now evolved into a standalone business line, further expanding Almosafer's service offerings.

SARm	1Q 2024	1Q 2023	Change
Net Booking Value (NBV)	1,591	1,635	-3%
Revenue	203	169	+21%
Gross Profit	145	118	+23%
Gross Profit Margin, % of NBV	9.1%	7.2%	+1.9 ppt
Operating expenses	(142)	(117)	+21%
EBITDA	5	0.3	+1566%
EBITDA Margin, % of NBV	0.3%	0.0%	+0.3 ppt

In 1Q 2024, Almosafer reported a slight decrease in net booking value to SAR 1,591 million, a 3% year-on-year decline. Based on the directive of the Ministry of Finance, which mandated government flight bookings be booked directly through the government's platform and no longer through any third-party travel agency. Excluding the impact of the mandated change in government flight bookings, net booking value of the platform grew by 31% from SAR 1,156 million to SAR 1,511 million driven by gains in consumer travel, online distribution, and the launch of Nusuk flights under the Mawasim business line.

In terms of specific business lines, consumer travel exhibited 24% growth, contributing SAR 1,206 million. Corporate and government travel experienced a dip

at 71% to SAR 164 million due to change mandated by new Ministry of Finance directives, with focus shifting to new account acquisition and growing non-air booking contribution. Hajj and Umrah saw significant expansion, growing 344% to SAR 109 million, driven by introduction of Nusuk flights. Meanwhile, destination management experienced a slight decline of 18% to SAR 35 million, and the newly established online distribution business line posted SAR 78 million in bookings.

Revenue on the Almosafer platform reached SAR 203 million, up 21% driven by several factors. Consumer travel revenue increased by 49% to SAR 114 million, Hajj & Umrah business expanded by 28% to SAR 31 million, and the corporate & government travel business line decreased by 13% to SAR 22 million, with an increasing share of corporate and non-air bookings.

Gross margins improved from 7.2% of NBV in 1Q 2023 to 9.1% in 1Q 2024, largely due to an increased non-air bookings and margin enhancement on air products in consumer and corporate & government travel and high-margin projects within the destination management business line. Operating expenses scaled appropriately with revenue as the platform expanded, including a one-time cost of approximately SAR 7 million due to closure of government flight travel business. Despite impact of new mandate regarding government flight bookings and one-time expenses, Almosafer recorded a positive EBITDA for the quarter at SAR 5 million, showing an improvement from the previous year's first quarter.

2. Lumi - Car Rental

Lumi Rental Company, headquartered in Riyadh, Saudi Arabia, is a leading provider of car rental and leasing services. The company is structured into three main divisions: Lease, which accounts for 33% of its 1Q 2024 sales; Rental, contributing 30% of sales; and Used Car Sales, which make up 37% of the total sales.

SARm	1Q 2024	1Q 2023	Change
Revenue	384	267	+44%
Gross Profit	113	95	+20%
Gross Profit Margin, %	29.5%	35.5%	-6.0 ppt
Operating expenses	(36)	(31)	+17%
EBITDA	165	132	+25%
EBITDA Margin, %	43%	49.3%	-6.3 ppt

In 1Q 2024, Lumi achieved a total revenue of SAR 384 million, marking a 44% increase from SAR 267 million in 1Q 2023, with the addition of 10 thousand vehicles to the fleet compared to the previous year. This significant growth was uniformly distributed across all business segments. The Lease segment saw a 53% increase in

revenue, contributing SAR 127 million, while the Rental segment expanded by 25%, adding SAR 115 million. The Used Car Sales segment also reported impressive growth, with a 54% increase, totaling SAR 142 million, driven by effective fleet management and favorable market conditions.

Gross profit for the quarter rose to SAR 113 million, a 20% increase from the previous year, although the gross profit margin decreased by 6.0 percentage points to 29.5%. This reduction was primarily due to the higher cost of revenue, notably from the increased cost of vehicles sold.

EBITDA for 1Q 2024 reached SAR 165 million, reflecting a 25% year-on-year increase, indicative of Lumi's enhanced operational efficiency. However, the EBITDA margin decreased to 43%, down from the previous year, primarily due to increased operating expenses related to the expansion of the fleet.

3. Portman Travel Group - UK-based Travel Investment

Portman Travel Group, Seera's travel investment based in the UK, specialises in business, luxury, and sports travel. It includes some of the most well-established travel brands in the UK and European travel sectors, such as Clarity, Elegant Resorts, ifOnly, and Destination Sports Group. This collective represents a broad array of high-end travel services, positioning Portman as a prominent player in the region's travel industry.

SARm	1Q 2024	1Q 2023	Change
Net Booking Value (NBV)	1,301	677	+92%
Revenue	392	313	+25%
Gross Profit	148	78	+91%
Gross Profit Margin, % of NBV	11.4%	11.5%	-0.1 ppt
Operating expenses	(121)	(60)	+102%
EBITDA	36	23	+57%
EBITDA Margin, % of NBV	2.8%	3.4%	-0.6 ppt

Portman Travel Group experienced substantial growth of 92% in booking value, reaching SAR 1,301 million, primarily fueled by its business travel segment which surged to SAR 931 million, more than doubling due to the strategic acquisition of Agiito in Q4 2023. Sports travel also saw significant growth, increasing by 54% to SAR 218 million, bolstered by recent acquisitions. Meanwhile, luxury leisure travel maintained a steady growth rate of 11%, reaching SAR 152 million.

Overall revenue for Portman grew by 25% to SAR 392 million, reflecting a shift in the segment mix, as booking volumes from agency business grew significantly post-acquisition. The sports travel division led the revenue increase, reporting SAR 152 million, a 7% rise, largely attributed to its ongoing engagements with Premier League Football teams and its role in facilitating travel for major global sporting events. Additionally, the business travel segment made a significant revenue contribution, rising by 2.7x year-on-year to SAR 87 million. Luxury leisure segment showing consistent growth of 10% to SAR 153 million.

Portman saw a 91% increase in gross profit and a 57% rise in EBITDA year-on-year for 1Q 2024, driven by the new acquisition in the business travel segment along with growth in both luxury leisure and sports travel. The gross profit margin remained relatively stable at 11.4% in 1Q 2024, while the EBITDA margin saw a slight decrease of 0.6 percentage points year-on-year to 2.8% in 1Q 2024, reflecting slightly higher operating expenses post-acquisition before the realisation of integration benefits which remain on plan.

4. Hospitality

Seera Group's hospitality division manages a network of hotels throughout Saudi Arabia, featuring a diverse range of leading hotel brands that cater to various price points. This includes prestigious brands such as Sheraton and Movenpick, along with value-focused options like Comfort Inn and Clarion, providing a comprehensive selection for travelers.

SARm	1Q 2024	1Q 2023	Change
Revenues	55	33	+65%
Gross Profit	26	10	+167%
Gross Profit Margin, %	48.1%	29.7%	+18.4 ppt
Operating expenses	(18)	(16)	+12%
EBITDA	22	17	+28%
EBITDA Margin, %	39.5%	50.8%	-11.3 ppt

Hospitality experienced significant improvement across its hotel portfolio in 1Q 2024, driven by increased demand from both inbound and domestic tourists, enhanced occupancy rates, and higher average daily rates, particularly in the Sheraton brand. Additionally, the normalization in the performance of recently opened Choice hotels contributed to this uptrend. This robust demand led to a 65% year-on-year increase in revenue, reaching SAR 55 million. The segment also saw a 2.7x increase in gross profit year-on-year, totaling SAR 26 million. EBITDA also showed a positive trajectory, rising by 28% from 1Q 2023 to reach SAR 22 million.

The drop in EBITDA margin is due to one off SAR 12 million impairment reversal that was reported in 1Q 2023 for unbranded hotels in Makkah which was part of other income..

Seera is shifting towards a more capital-efficient framework by divesting from its Hospitality and underperforming legacy real estate assets through strategic exit mechanisms. The focus will shift towards leveraging its core competency in managing hotels owned by third parties. Seera's goal is to maximize the exit value of each asset, which will serve as the primary source of liquidity for the Group to support its capital allocation strategy.

Capital Allocation

Seera Group has adjusted its capital allocation strategy, shifting from investing in its existing portfolio of companies, which are now independently sustaining their growth, to a strategy focused on maximizing free cash flow per share. This strategy is driven by three key levers:

1. Deleveraging the balance sheet to improve financial stability.
2. Pursuing new investment opportunities that promise a minimum Internal Rate of Return of 15%.
3. Considering a potential share buy-back program, pending approval at the Annual General Assembly Meeting (AGM) in the second quarter of 2024.

Outlook

Following a robust performance in 2023, marked by strong net booking value and revenue growth, the first quarter of 2024 has started on a positive note, reinforcing Seera Group's confidence in sustained growth in volumes and revenues throughout the year. This favorable environment supports Seera Group's strategic focus on further strengthening its portfolio to continue driving shareholder value creation.

Over the medium term, the Group plans to further optimize its portfolio, enhancing both group returns and shareholder dividends. This strategic adjustment aims to build on the momentum gained in early 2024 and ensure long-term profitability and growth for Seera Group.

Earnings Call

The company is holding an earnings call to discuss 1Q 2024 financial results with analysts and investors on Tuesday, 21 May 2024, at 4:00 pm Riyadh time (2:00 pm London, 5:00 pm Dubai, 9:00 am New York).

The webcast of the call will be available using the following [link](#).

For further information please contact: investors@seera.sa at Seera Holdings

Seera Group Holdings at a Glance

Seera Group Holdings (Tadawul: 1810) showcases a dynamic portfolio of market-leading businesses in travel, car rental, and hospitality, deeply rooted in the Kingdom of Saudi Arabia and spanning five strategic segments: Almosafer Travel & Tourism, Lumi Rental, Portman Travel, Hospitality, and Investments. FY 2023 marked a period of strong financial achievements for Seera: net bookings surged to SAR 12,486m, reflecting a 35% increase year-over-year, while revenues soared by 56% to SAR 3,291m. EBITDA reached SAR 848m (26% EBITDA margin), and net income climbed to SAR 265m (8% margin), underscoring a year of significant achievements and growth.

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