

## Seera Group Holdings Reports a Net Profit of SAR 265 million for FY 2023

- Net booking value rose 35% to SAR 12,486m, a record booking value in Seera Group's 40+ year history (FY 2022 SAR 9,279m) reflecting continued demand across each segment.
- Revenues for FY 2023 up 56% to SAR 3,291m (FY 2022 SAR 2,114) driven by 60% growth in Travel Platform (Almosafer), 41% growth in Car Rental (Lumi) and 66% growth in the UK-based travel investment (Portman) revenues, as travel business normalises to pre-Covid 19 activity levels and all segments cross new thresholds in their scale.
- Gross margins improved +1.3 ppts for the group to 11.3% (FY 2022 10.0%) helped by improved product mix, particularly in hotel bookings and holiday packages from Almosafer and Portman Travel.
- Significant operating leverage built in the businesses, OPEX recorded an increase of 15% to SAR 1,184m (FY 2022 SAR 1,029) relative to 35% and 56% growth in booking value and revenues respectively.
- Recovered to full year profitability across all business segments and recorded Net Income of SAR 265m, a significant turnaround relative to a loss of SAR 46m in FY 2022 reflecting profitable operating performance.
- Basic earnings per share up significantly to SAR 0.87 per share (FY 2022 SAR -0.16 loss per share).
- Net Debt to Equity remains at very conservative levels at 29%.
- Seera unveiled its latest strategy commitments aimed at further deleveraging of the balance sheet, a returns-based portfolio approach, and a commitment to future shareholder return.

**Riyadh, 25 March 2024** – Seera Group Holdings, which comprises a portfolio of market-leading businesses in travel, car rental and hospitality, today announces its full-year results for the twelve months ended 31 December 2023.

SARm	FY 23	FY 22	Change
Net Booking Value	12,486	9,279	+35%
Revenue	3,291	2,114	+56%
Gross Profit	1,412	924	+53%
Gross Profit Margin, % of NBV	11.3%	10.0%	+1.3 ppts
EBITDA	848	430	+97%
Net Profit	265	-46	-
Earnings Per Share (SAR)	0.87	-0.16	-

## Group Financial Highlights

In FY 2023, Seera has reported strong results, with record booking volumes and revenues feeding down to strong bottom-line growth. Net booking values crossed the 10 billion threshold recording SAR12,486m, up 35% from FY 2022 booking value. Revenues for FY 2023 were up 56% to SAR 3,291m (FY 2022 SAR 2,114). EBITDA rose 97% to SAR 848m, relative to modest OPEX increase of 15% to SAR 1,184m. Net Income for FY 2023 amounted to SAR 265m and earnings per share swung back to SAR 0.87 per share.

## Strategic Business Segment Review

### 1. Almosafer – Travel Platform

Almosafer is Saudi Arabia's Leading Travel Company, elevating the journey for travellers from Saudi Arabia, the region & beyond across the following key business lines: consumer travel, corporate & government travel, destination management, Hajj & Umrah and an online distribution business line which was incubated within destination management.

SARm	FY 23	FY 22	Change
Net Booking Value (NBV)	7,608	6,127	+24%
Revenue	822	515	+59%
Gross Profit	540	377	+43%
Gross Profit Margin, % of NBV	7.1%	6.2%	+0.9 ppts
EBITDA	51	-97	-
EBITDA Margin, % of NBV	0.7%	-1.6%	-

Almosafer reported a growth in net booking value of 24% to SAR 7,608m in FY 2023, driven by consumer travel, reporting 23% growth and contributing SAR 4,785m, corporate & government travel showed steady growth of 18% to SAR 2,430m, hajj and umrah grew significantly at 118% to SAR 130m in FY 2023, destination management exhibited marginal drop of 2% to SAR 88m in FY 2023 and the newly established online distribution business line reported SAR 131m.

The Platform recorded revenues of SAR 822m, a 59% increase driven by consumer travel revenue growth of 65% to SAR 435m, growing prominence of the Hajj & Umrah business by 116% to SAR 130m and increasing contribution of corporate and non-air bookings within the corporate & government travel business line that reported SAR 165m in revenues up by 63%.

Gross margins enhanced from 6.2% to 7.1% in FY 2023 due to growing non-air mix and optimised take-rates in FY 2023. Given the scalability of the platform and tight controls on OPEX, Almosafer's operating profit margins improved significantly with EBITDA of SAR 51m reported in FY 2023, a shift from the loss reported the previous year, recording consistent and profitable growth in line with significant growth in topline.

## 2. Lumi - Car Rental

Lumi Rental Company is a leading car rental and lease provider based in Riyadh, Kingdom of Saudi Arabia. The group operates three divisions: leasing (35% of sales), rental (33% of sales), and used car sales (32% of sales).

SARm	FY 23	FY 22	Change
Revenue	1,106	783	+41%
Gross Profit	381	260	+46%
Gross Profit Margin, %	34.4%	33.2%	+1.2 ppts
EBITDA	503	437	+15%
EBITDA Margin, %	45.5%	55.9%	-10.4 ppts

In FY 2023 Lumi recorded a total revenue of SAR 1,106m, a substantial increase of 41% from SAR 783m in the previous year, crossing the billion riyal revenue threshold. This growth was driven by revenue across all three business segments. The Lease segment reported a 30% increase in revenue, contributing SAR 389m, while the Rental segment grew by 33%, adding SAR 370m. The Used Car Sales segment stood out with a 69% increase, totaling SAR 347m, thanks to strategic fleet management and favourable market conditions for vehicle sales.

EBITDA for FY 2023 reached SAR 503m, showing a solid 15% increase from the previous year, indicative of Lumi's operational effectiveness. EBITDA margin in FY 2023 amounted to 45.5%, lower compared to FY 2022 driven by accelerating operating expenses.

## 3. Portman Travel Group - UK-based Travel Investment

Portman Travel Group is Seera's UK-based travel investment comprising business, luxury, and sports travel. Portman encompasses some of the most well-established travel brands in UK and Europe travel sector, including Clarity, Elegant Resorts and Destination Sports Group.

SARm	FY 23	FY 22	Change
Net Booking Value (NBV)	3,218	2,044	+57%
Revenue	1,112	669	+66%
Gross Profit	357	204	+75%
Gross Profit Margin, % of NBV	11.1%	10.0%	+1.1 ppts
EBITDA	187*	21	790%
EBITDA Margin, % of NBV	5.8%*	1.0%	+4.8 ppts

\*Includes one-off gain on investment of SAR 97m

Portman reported a 57% growth to SAR 3,218m in booking value led by business travel which reported SAR 2,056m, up by 58% driven by organic growth, sports travel grew significantly by 109% to SAR 749m as a result of major sports events and new acquisitions, while growth in luxury leisure travel was consistent at 7% to SAR 412m. Overall, Portman recorded revenue of SAR 1,112, a 66% growth, with a significant contribution from the sports travel division which reported SAR 562m in revenue (increase of 181%) as it continues to serve Premier League Football teams and support travel for major global sporting events including the 2023 Rugby World Cup that took place in France.

Portman's profit margins improved significantly due to one-off gain on investment worth SAR 97m, recording an EBITDA of SAR 90m excluding the one-off gain, a major growth relative to the previous year reflecting shift in mix, the return of business travel and growing contribution from high-value travel offerings.

#### 4. Hospitality

Seera Group's hospitality division operates a network of hotels across Saudi Arabia, comprising leading hotel brands across the pricing spectrum – Sheraton, Movenpick, Comfort Inn, and Clarion.

SARm	FY 23	FY 22	Change
Revenues	184	101	+82%
Gross Profit	88	12	+633%
Gross Profit Margin %	47.8%	11.9%	+35.9 ppts
EBITDA	86	63	+38%
EBITDA Margin %	46.7%	62.4%	-15.7 ppts

Hospitality saw improvement across its hotel portfolio driven by inbound and domestic tourist demand, which led to a +82% yoy revenue growth in FY 2023 to SAR 184m and reflected in EBITDA of SAR 86m up 38% relative to last year.

Seera is transitioning to a more capital-efficient structure by divesting Hospitality and unproductive legacy real estate assets through appropriate exit mechanisms and focus on its strength and expertise of operating third party owned hotels. Seera aims to maximize the exit value for each asset to serve as the primary source of liquidity for the Group to fulfill its capital allocation strategy.

## **5. Investments**

The Investment vertical enables Seera to realise its vision of investing in “Saudi champions”. Seera Group’s strategy has shifted to focus on investments with a sustainable return profile that would support further cash flow generation. On that basis, the Group has invested SAR 600m in a private real estate fund affiliated with Istithmar Capital to develop the Kayanat Business Park project in the northern region of the city of Riyadh. The integrated, mixed-use development. The project is expected to achieve operating cash flows of SAR230 m annually, with its impact likely to start in the second half of 2026, thereby generating a 15% IRR.

## **Capital Allocation**

The Group’s capital allocation strategy has shifted from investing in the current portfolio of companies, that are now independently sustaining their growth, to one that focuses on maximising free cash flow per share through three key levers:

1. Deleveraging the balance sheet;
2. New investment opportunities with a minimum internal rate of return (IRR) of 15%;
3. Potential share buy-back program subject to approval by AGM.

## **Outlook**

After a strong performance with NBV and revenues in 2023, the year started well with confidence in continued growth in volumes and revenues. This environment is favourable for our portfolio which we will continue to strengthen to continue shareholder value creation. Medium-term there will be further optimisation of our portfolio for the benefit of our group returns and returns to shareholders.

## Earnings Call

The Company is holding an earnings call to discuss FY 2023 financial results with analysts and investors on Wednesday, 3 April 2024, at 2:00 pm Riyadh time (12:00 pm London, 3:00 pm Dubai, 7:00 am New York).

### Webcast details:

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

Event number: 2379 411 4113

Password: 1234.

### Dial-in details:

KSA: 800 814 7102

UAE: 800 033 05914

UK: 800 026 6257

UK (Toll): +44 20 7660 8149

Access code: 2379 411 4113

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## 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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