Neutron Holdings, Inc. (Nasdaq: LIME)

Q3 2026 Earnings Call Prepared Remarks

November 3, 2026

Mark May - Head of Investor Relations

Thank you, Operator, and thank you all for joining us today. Welcome to Lime's Q3 2026 earnings presentation. On the call today we have Wayne Ting, Lime's CEO and Ann Gugino, CFO; and this is Mark May, Head of Investor Relations.

Before we begin, I would like to remind everyone that today's discussion may contain forward-looking statements based on our current expectations, assumptions and forecasts about future events. You should not place undue reliance on forward-looking statements. Actual results may differ materially from these forward-looking statements, and we do not undertake any obligation to update any forward-looking statements we make today, except as required by law. Please refer to our latest filings with the Securities and Exchange Commission for more information about factors that may cause actual results to differ materially from forward-looking statements. During today's call, we will refer to certain non-GAAP financial measures. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures can be found in our earnings press release, supplemental slides and filings with the SEC, each of which is posted to our investor relations website at investors.li.me. Today's call is being webcast and a replay will be available on our investor relations website following the call. After the prepared remarks, we will open the call to questions. With that, let me hand it over to Wayne.

Wayne Ting - Chief Executive Officer

Thanks Mark. Lime delivered solid results in the third quarter, with Revenue of $361 million growing 20% year-over-year. We also hit an important milestone this quarter, exceeding $1 billion in revenue on a trailing-twelve-months basis for the first time in company history. We are also proud that Lime continued to deliver results as a Rule of 40+ company. In Q3 we delivered Adjusted EBITDA of $118 million, representing a 33% margin.

Our topline results were driven by strong fleet growth and positive rider retention trends. Our growth algorithm is anchored by fleet and in Q3 our average operational fleet grew 26% year-over-year to 447 thousand vehicles. This represents an acceleration from Q2 year-over-year growth and reflects the runway we have to expand our fleet in existing markets and also the opportunities ahead to scale into many new markets that can benefit from Lime's service.

Revenue per Vehicle per Day or RVD, which is our primary utilization metric, was $8.77 in the quarter. This represented a 4.8% year-over-year decline. RVD was impacted by three main factors. First is the continued scaling of our fleet in newer mega-markets like Australia. In our experience, when we enter new markets we first need to build fleet reliability before demand can come. This means in the early days of any market entry the RVD has typically been lower, but usually we have seen demand catch up over time. Second, we continue to see stronger adoption of LimePrime relative to expectations. This new recurring monthly subscription program provides unlimited vehicle unlocks, flat-rate pricing, and extended vehicle reservations. The flat rate pricing is lower than the pay-as-you-go pricing that non-subscribers typically pay, which means our average price point is falling as more riders sign up for the LimePrime offering. The great thing is the higher adoption means more users see the value of LimePrime and we know from experience that when we invest in our subscription products over time it will drive more engagement, higher retention rates and greater lifetime value of our riders. Finally, we see RVD pressures related to recent competitive behavior in targeted markets primarily in Europe. Historically, the micro-mobility sector has occasionally been defined by short-term players chasing volume at the expense of unit economics. This quarter we made a strategic decision in these instances to not chase short-term growth and to remain disciplined around unit economics. While this impacted RVD in the quarter, our experience indicates that staying disciplined is the better move for driving long-term shareholder value.

On the rider side, we continued to see strong adoption of LimePrime, and early subscriber retention and user engagement data points for LimePrime are quite encouraging. However, the competitive behavior in certain markets impacted MAU growth in the quarter.

In Q3 we were able to generate positive Net Income of $44 million and positive Free Cash Flow of $91 million despite the RVD impact on gross margins and EBITDA. This reflects the underlying strength of our operating model, our ability to execute in a variety of market conditions, our focus on maintaining strong underlying unit economics, and our disciplined approach to balancing growth with profitability.

There were a number of other noteworthy highlights during the quarter that I'd like to share.

First is LimePrime. In Q3 we continued to see strong momentum in LimePrime, which is already on pace to exceed LimePass in terms of trip volume this year. We are also pleased to see that LimePrime is resonating across all of our rider segments, from commuters and recreational users to new users and to riders in a wide variety of geographical markets across the globe. Importantly, we are seeing positive engagement from LimePrime riders. In fact, in Q3 we observed that the average LimePrime rider takes 8 times as many trips as Pay-As-You-Go riders and 16% more than LimePass riders. Importantly, retention is also stronger. Retention rates for LimePrime riders not only improved sequentially but are also averaging 3 times higher than non-subscribers in Q3. LimePrime riders are not only our most engaged riders, they are also the riders with the highest retention rates. As a reminder LimePrime is still a new product that we only launched

earlier this year, so it's exciting to see the product already driving both higher engagement and retention similar to the impact that subscription products had for rideshare and food delivery over the long run.

Another callout from Q3 relates to our sustainability mission. As you may know, Lime's mission is to build a future where transportation is shared, affordable and carbon-free. We take this commitment seriously. During the quarter we released our latest Carbon Inventory Report covering 2025, which showed the tangible results of our efforts and ability to run a more carbon-efficient business. Since our 2019 baseline, we've reduced our total carbon emission intensity by 81%, even as the total miles traveled on Lime increased 250% in the measurement period. We accomplished this because of everything that happens behind the scenes, including building more durable and repairable vehicles, strengthening our supply chain, and operating more efficiently, which all contributes to reducing our emissions while making our business stronger. We believe there is a path to do good while doing well, which is why sustainability and decarbonization are deeply woven into how we run our business, and we believe it's also why many city partners and consumers consistently prefer the Lime platform.

As Ann will discuss, we have recently made a strategic decision to address recent heightened competition in a few markets in Europe by not chasing short-term growth but instead by stepping up our investments where we believe we have the opportunity to build a reliability and quality advantage. This may impact our near-term margins and growth, but we are confident that remaining disciplined on unit economics and making these investments is the right move to help drive long-term shareholder value. We have successfully navigated these cycles before by staying disciplined and this is how we build Lime into the global market leader.

In closing, we believe our strength in this sector is driven by our commitment to sustainable, profitable growth. This is the strategy we have consistently outlined, and we continue to execute against it because the results show that it works. We remain fully focused on the disciplined execution that got us here, and we are confident this approach will continue to help us drive long-term value for our shareholders.

With that, I'll hand it over to Ann who will walk through the financial results in more detail.

Ann Gugino - Chief Financial Officer

Thank you, Wayne, and good afternoon or evening everyone.

Lime delivered Q3 revenue of $361 million, which is at the high-end of our guidance range and represents 20% year-over-year growth. Our topline growth during the quarter was driven by strong fleet growth,

positive rider retention trends, and continued adoption of LimePrime.

As Wayne mentioned, we are particularly encouraged by what we are seeing with LimePrime. The combination of incremental engagement and positive retention is resulting in LimePrime riders generating 2 times the adjusted gross profit relative to our non-subscription riders. While Prime is still early, this adds to our belief that it will not only drive greater overall rider loyalty and stickier revenue over time but also potentially generate higher gross profit and EBITDA.

Turning to our key operating metrics, average operational fleet in the quarter was 447 thousand vehicles, which represents 26% year-over-year and an acceleration from Q2 year-over-year growth. We continue to expand our fleet in existing markets and as well as in newer markets like Australia that are still reaching density which drives reliability. As density increases, this drives reliability and ultimately higher utilization.

Revenue per Vehicle per Day, or RVD, was $8.77, down 4.8% year-over-year. This decline was driven by two distinct factors: our planned geographic expansion and localized market dynamics. First, we continue to make deliberate investments to scale newer markets like Australia to build density and service reliability. Because fleets in these markets are in their ramp phase, they temporarily dilute our average RVD. When you look at RVD growth on a same-market basis to normalize for this impact, we are seeing year-over-year RVD growth in the single-digits. Second, we experienced heightened competitive intensity in a few European markets. We chose not to match these unsustainable, short-term, volume-focused dynamics, instead prioritizing durable growth and long-term profitability. This decision naturally resulted in lower fleet utilization in those markets, which drove the remaining decline in RVD.

Monthly Active Users grew 15.9% year-over-year to 5.5 million in Q3. While the competitive dynamics I just described moderated our overall user growth rate, we are seeing highly encouraging trends with our LimePrime subscriber base. Specifically, our LimePrime cohort continues to drive deep engagement. In Q3 the average LimePrime rider took 8 times as many trips as Pay-As-You-Go riders, and 16% more than LimePass riders. Retention is also a key strength, with LimePrime subscriber retention improving quarter-over-quarter and averaging 3 times higher than non-subscribers. These metrics reinforce our strategic thesis: investing to build long-term habits and drive deeper rider engagement and loyalty is the right play for our business.

Gross Profit in Q3 was $161 million, representing a 45% margin, and Adjusted Gross Profit was $195 million, or a 54% margin. We achieved a 220-basis point sequential expansion in adjusted gross margin, reflecting solid underlying operational efficiency. However, our overall financial performance for the quarter fell short of our guidance range. This shortfall was primarily driven by lower fleet utilization we experienced in Europe. Because our fleet carries some operating costs, this lower utilization impacts our

near-term margins.

Turning to expenses, total operating expenses were $96 million, up 31% year-over-year and came in slightly better than expected. Adjusted EBITDA was $118 million, representing a 33% margin, compared with 35% in the prior-year period.

Sequentially, our EBITDA margin expanded nearly 600 basis points, which is greater than we've produced in recent years. However, Adjusted EBITDA was below expectations for the quarter. This was driven by the lower fleet utilization experienced in Europe. This lower utilization impacted our gross profit and flowed through to Adjusted EBITDA.

Net income in the quarter was $44 million, and diluted earnings per share were $0.63.

Turning to the balance sheet, our balance sheet remains strong and we ended Q3 with $453 million in cash and cash equivalents and no long-term debt. Our balance sheet provides us with the financial flexibility to continue investing in our growth priorities while maintaining discipline in our capital allocation decisions.

Capex in the quarter was $24 million, reflecting investments in fleet expansion and fleet maintenance. Free cash flow was $91 million, reflecting the impact of certain working capital items.

We remain focused on maximizing free cash flow, and our capital allocation priorities remain unchanged. We invest in the fleet where we see attractive returns, invest in the technology platform to improve efficiency and strengthen competitive advantages, pursue selective strategic acquisitions or partnerships when they meet our return thresholds, and maintain financial flexibility and a strong balance sheet.

Now turning to our Q4 outlook. As has been the case in recent quarters, we expect our growth to be driven by continued expansion of our operating fleet and continued growth in LimePrime, which is experiencing strong adoption and positive underlying metrics.

Looking ahead, we expect the short-term competitive pressure in Europe to continue through the remainder of FY2026. At the same time, we are stepping up our investments in Q4 to build out our reliability and quality advantage in key strategic markets. This includes investments in our local fleet management and in upgraded technology in areas such as sidewalk riding and parking verification.

Accordingly, Q4 guidance reflects these factors. While this impacts near-term margins, we believe remaining disciplined on unit economics and making these investments is the right move for driving long-term shareholder value. We have a strong track record of navigating these cycles by staying disciplined, which is how we built Lime into the market leader.

For Q4, we expect revenue of between $240 and $250 million, representing approximately 17% year-over-year growth at the midpoint. Growth is expected to continue to be driven primarily by increases in our operating fleet. We expect Adjusted EBITDA in Q4 of $43 to $45 million, representing a margin of approximately 18% at the midpoint, which is above year-ago levels despite our growth-related and other investments.

For full-year 2026, we are reiterating our topline guidance. Revenue is expected to be in the range of $1.04 to $1.1 billion, representing 21% year-over-year growth at the midpoint. We now expect Adjusted EBITDA of $253 to $255 million, representing a 24% margin at the midpoint. This reflects our continued investments in LimePrime and in newer markets such as Australia as well as our strategic investments in select markets that we have shown is the right move for driving long-term shareholder value.

Our full year capex guidance is now between $172 and $177 million, reflecting again our focus on unit economics and free cash flow. And we expect the business will continue to generate meaningful free cash flow.

With that, I'll hand it back to the operator to take your questions.