

Lumi Rental Co.

Excluding one-off items, results came in line with estimates – Maintain Overweight

Rating: Overweight | Target Price: SAR 56.6

May 07, 2026

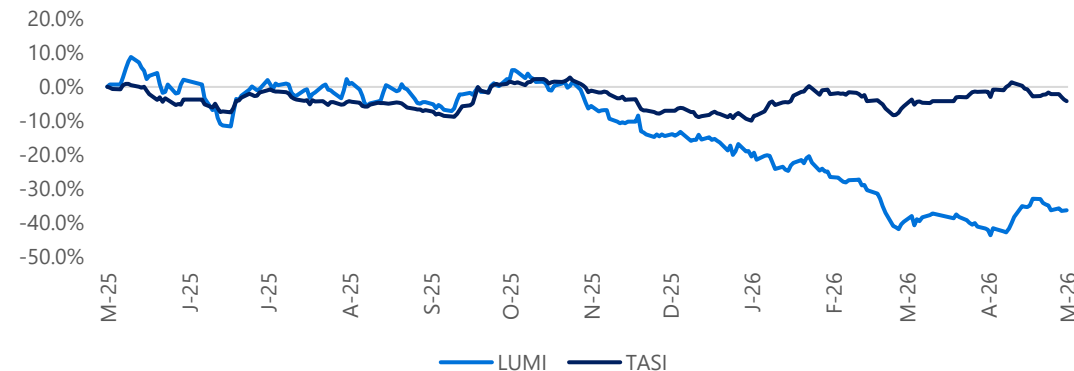
Market Data		Valuations	2025A	2026f	2027f	2028f
Last Price (SR)*	39	Net Income (SRmn)	198	237	289	324
Target Price (SR)	56.6	EPS (SR)	3.6	4.3	5.2	5.9
Upside / Downside (%)	44%	PER (x)	10.9	9.1	7.5	6.7
Market Cap (bn) (SR/USD)	3.1/0.8	P/BV (x)	1.5	1.3	1.1	1.0
52 week High / Low (SR)	67.7/34.2	DPS (SR)	-	-	-	-
12-month ADTV (mn) (SR/USD)	8.3/2.2	Div. Yield (%)	-	-	-	-
YTD Return (%)	-21%	RoAE (%)	15.1	15.5	16.1	15.5
Bloomberg Code	Lumi AB	RoAA (%)	5.8	6.7	7.7	8.0

*last price as of 6th May 2026

Financials (SR mn)	1Q26A	1Q26E*	Var (%)	1Q25A	YoY (%)	4Q25A	QoQ (%)
Revenue	366	379	-3.4	412	-11.0	427	-14.2
Cost of revenue	252	301	-16.3	291	-12.1	326	-22.7
Gross profit	114	111	2.8	120	-5.4	101	13.3
Gross margin (%)	31	29	1.9	29	1.9	24	7.6
OPEX	48	34	39.7	37	28.4	34	43.4
Operating profit	66	76	-13.8	83	-20.6	67	-1.7
Operating margin (%)	18	20	-2.2	20	-2.2	16	2.3
Net income	40	47	-15.2	53	-24.7	38	5.3
Net margin (%)	11	12	-1.5	13	-2.0	9	2.0
EPS	0.73	0.86	-15.2	0.97	-24.7	0.69	5.3
DPS	-	-	-	-	-	-	-

*anbc estimates

Price Performance



Lumi Rental Co. (LUMI AB) reported a net profit of SAR 40.0 mn (EPS: SAR 0.73) in 1Q26, reflecting a 24.7% YoY decline and a 5.3% QoQ increase. Results missed both ANBC estimates (SAR 47.2 mn) and market consensus (SAR 47.1 mn) by 15%. However, the headline miss is mostly attributable to one off item (elevated SAR 6.1 mn receivables provision). Excluding one-off items, the results are broadly in line. The stock has significantly underperformed the broader TASI market, down 21% compared to +4.4% YTD move by TASI. The stock is trading at a 2026e PER of 9.1x, and we maintain an overweight stance on the stock.

- Revenue fell by 11.0% YoY to SAR 366.1 mn in 1Q26, compared to SAR 411.5 mn in 1Q25, with the used car sales segment the primary driver, down 35.3% YoY. However, net operating revenue (ex. used car sales) held broadly flat, slipping 1.2% YoY, despite a 10.0% drop in rental revenue, as the impact was cushioned by an increase in lease revenue.
- Lease revenue (48.1% of total) grew 5.4% YoY to SAR 176 mn, despite 3.8% YoY fleet contraction, as lease revenue per vehicle rose 8.2%. However, rental revenue dropped 10% YoY to SAR 113 mn in 1Q26, impacted simultaneously by contraction in fleet size, lower utilization, and lower rental rate per vehicle.
- Lumi's total fleet size decreased by 3.4% YoY to 33.7K in 1Q26, down from 34.9K in 1Q25. The decline was largely driven by the lease segment, where the fleet size dropped by 3.8% YoY to 22.9K in 1Q26, compared to 23.8K in 1Q25. The rental segment's fleet size decreased slightly from 11.1K in 1Q25 to 10.9K in 1Q26.
- Gross profit decreased by 5.4% YoY to SAR 114.0 mn in 1Q26 compared to SAR 120.5 mn in 1Q25. However, gross margin improved from 29.3% in 1Q25 to 31.1% in 1Q26 driven by the reduced contribution of the lower margin used car sales segment.
- Receivable provisions surged 5.1x from SAR 1.2mn to SAR 6.1 mn, adding SAR 4.9mn to OPEX. This proved to be a pivotal driver of the earnings miss. OPEX as a whole rose 28.4% YoY, pushing operating profit down 20.6% YoY to SAR 65.9 mn. Eventually, net income decreased by 24.7% YoY to SAR 40 mn and came in 15% below market and anbc estimates.
- We have a target price of SAR 56.6 per share, indicating a potential upside of 44.1% based on the last closing price. The stock is trading at a 2026e PER of 9.1x, and we maintain an overweight stance on the stock.

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