2Q26 FIRST TAKE

Lumi Rental Co.

August 5, 2026

Rental softness and higher provisions drive an 80% YoY drop in net profit

Last Price: SAR 28.6 | YoY Performance: -53.0%

KEY TAKEAWAYS

- Lumi posted a net profit of SAR 10.8 mn in 2Q26 (EPS: SAR 0.20), down 80.1% YoY and well below our estimate of SAR 45.4 mn. The decline is mainly attributable to a sharp decline in short-term rental utilization and pricing, higher vehicle depreciation, a step-up in operating expenses and elevated receivables provisioning.
- Revenue fell 5.2% YoY to SAR 394.4 mn. However, it came in line with our estimated revenue of SAR 388.9 mn, up 1.4%. Lease revenue rose 6.4% YoY to SAR 174.9 mn on a 9.4% increase in lease revenue per vehicle to SAR 30.3K, while rental revenue fell 25.7% to SAR 100.0 mn as utilization dropped 16.2 ppts to 60.4% and the rental rate per vehicle declined 23.6% to SAR 38.2K. Net revenue ex-used car sales fell 8.1% to SAR 274.9 mn. Used car sales generated SAR 119.6 mn, with volumes down 15.0% to 1.7K units, partly offset by an 18.4% rise in revenue per sold vehicle to SAR 69.5K.
- Gross margin narrowed to 23.4% in 2Q26 from 30.1% in 2Q25, below our estimate of 31.1%. COGS rose 3.8% YoY to SAR 302.0 mn as vehicle depreciation increased 4.9% to SAR 101.0 mn and repairs and maintenance jumped 47.1% to SAR 12.5 mn on an older average fleet, partly offset by a 10.0% decline in insurance costs to SAR 11.7 mn.
- Company reported an operating profit of SAR 36.1 mn, down 57.5% YoY. G&A rose 31.6% YoY to SAR 47.9 mn on continued investment in digital capabilities, technology and organizational capacity, while provisions rose 66.1% to SAR 9.3 mn in line with receivables growth. Meanwhile, net profit excluding one-offs was SAR 19.3 mn, down 66.8% YoY.
- Based on our last update, we have an “Overweight” rating with a target price of SAR 56.6/share.

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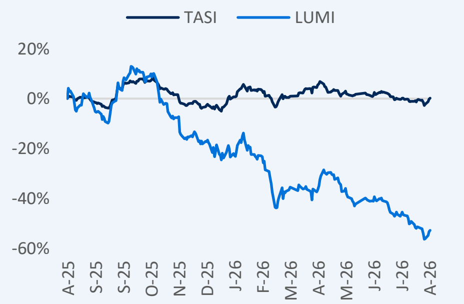
Issuer Information

Bloomberg Code	**LUMI AB**
Last Price (SAR)	**28.6**
No. of Shares (mn)	**55.0**
Market Cap bn (SAR/USD)	**1.6 / 0.42**
52-week High / Low (SAR)	**65.0 / 27.9**
12-month ADTV (mn) (SAR/USD)	**7.4 / 2.0**
Free Float (%)	**28.6**
Foreign Holdings (%)	**1.8**

Last price as of August 4th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	2Q26A	2Q26E*	Var (%)	2Q25A	YoY (%)	1Q26A	QoQ (%)
Revenue	394	389	1.4	416	-5.2	366	7.8
Cost of Revenues (COGS)	302	268	12.8	291	3.8	252	19.8
Gross Profit	92	121	-23.6	125	-26.1	114.	-18.9
Gross Margin (%)	***23***	***31***		***30***		***31***	
Operating Expenses	56	48	16.7	40	40.2	48	17.3
Operating Profit	36	73	-50.4	85	-57.5	66	-45.2
Operating Margin (%)	***9***	***19***		***20***		***18***	
Net Income	11	45	-76.2	54	-80.1	40	-73.0
Net Margin (%)	***3***	***12***		***13***		***11***	
EPS (SAR)	0.2	0.8		1.0		0.7	

**anbc estimate*
Source: Company Financials, anbc research

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