# Lumi Rental Co.

*Lumi posted 31.3% YoY profit growth in 3Q25 – Maintain Overweight*

Rating: Overweight | 12M Target Price: SR72.3 ***November 02, 2025***

| Market Data | |
|---|---|
| Last Price (SR)* | 62 |
| Target Price (SR) | 72.3 |
| Upside / Downside (%) | 16% |
| Market Cap (bn) (SR/USD) | 4.0/1.1 |
| 52 week High / Low (SR) | 81.3/54.0 |
| 12-month ADTV (mn) (SR/USD) | 13.2/3.5 |
| YTD Return (%) | -12% |
| Bloomberg Code | Lumi AB |

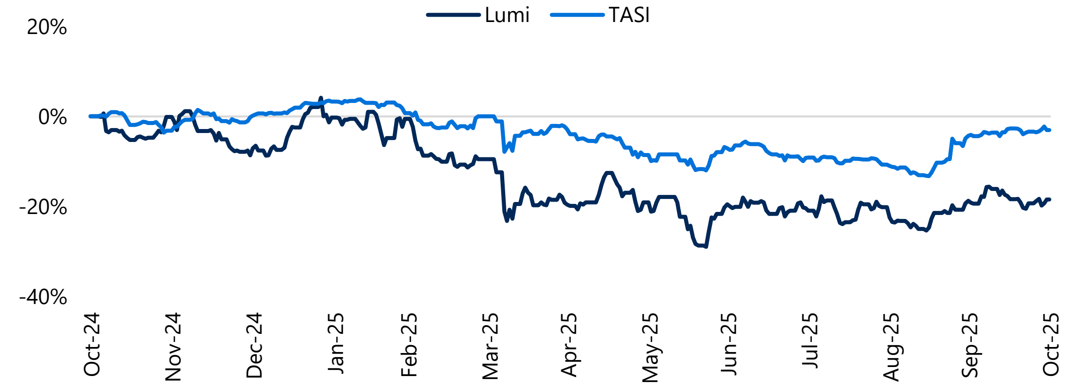
**last price as of 30th October 2025*

| Valuations | 2024A | 2025e | 2026f | 2027f |
|---|---|---|---|---|
| Net Income (SRmn) | 180 | 212 | 247 | 328 |
| EPS (SR) | 3.3 | 3.9 | 4.5 | 6.0 |
| PER (x) | 19.1 | 16.2 | 13.9 | 10.5 |
| P/BV (x) | 2.8 | 2.4 | 2.1 | 1.7 |
| DPS (SR) | - | - | - | - |
| Div. Yield (%) | - | - | - | - |
| RoAE (%) | 16.1 | 16.1 | 16.0 | 17.9 |
| RoAA (%) | 5.4 | 6.1 | 6.8 | 8.8 |

| Financials (SR mn) | 3Q25A | 3Q25E* | Var (%) | 3Q24A | YoY (%) | 2Q25A | QoQ (%) |
|---|---|---|---|---|---|---|---|
| Revenue | 414 | 422 | -1.7 | 403 | 2.8 | 416 | -0.4 |
| Cost of revenue | 301 | 300 | 0.3 | 287 | 4.9 | 291 | 3.4 |
| Gross profit | 113 | 122 | -6.8 | 116 | -2.5 | 125 | -9.4 |
| *Gross margin (%)* | *27* | *29* | -1.5 | *29* | -1.5 | *30* | *-2.7* |
| OPEX | 29 | 37 | -22.9 | 40 | -28.2 | 40 | -28.9 |
| Operating profit | 85 | 84 | 0.3 | 76 | 10.9 | 85 | -0.2 |
| *Operating margin (%)* | *20* | *20* | 0.4 | *19* | 1.5 | *20* | *0.0* |
| Net income | 53 | 54 | -2.0 | 40 | 31.3 | 54 | -2.8 |
| *Net margin (%)* | *13* | *13* | 0.0 | *10* | 2.8 | *13* | *-0.3* |
| ***EPS*** | ***0.96*** | ***0.98*** | -2.0 | ***0.73*** | 31.3 | ***0.99*** | -2.8 |
| DPS | - | - | | - | | - | |

**anbc estimates*

### Price Performance




*Source: Tadawul, Bloomberg and anbc research*

**Lumi Rental Co. (LUMI AB) reported a net profit of SAR 52.7 mn (EPS: SAR 0.96) in 3Q25, reflecting a 31.3% YoY increase and a 2.8% QoQ decrease. The results were in line with our estimated net profit of SAR 53.8 mn (EPS: SAR 0.98). Lumi recorded notable annual growth in 3Q25 earnings, driven by higher other operating income and lower finance costs .**

- Revenue increased by 2.8% YoY to SAR 414.4 mn in 3Q25, compared to SAR 403.1 mn in 3Q24. The growth was driven by higher revenue from the lease and rental segments but was partially offset by a decline in revenue from used car sales segment. Lease and rental revenue expanded by 12% YoY, while revenue from the used car sales segment declined by 15% YoY in 3Q25.
- The growth in lease revenue was due to an 8% increase in average lease revenue per vehicle, fueled by utilization of recent contracts and strong pricing. The growth in the rental segment was driven by an increase in average rental revenue per vehicle, supported by improved customer mix and rate management. The used car sales segment's revenue declined due to a 21% decrease in volumes, partially offset by an 8% increase in revenue per vehicle sold.
- Lumi's total fleet size increased by 3% YoY to 34.4K in 3Q25, up from 33.5K in 3Q24. The growth was largely driven by the lease segment, where the fleet size increased by 4% YoY to 23.4K in 3Q25, compared to 22.6K in 3Q24. The rental segment's fleet size increased slightly from 10.9K in 3Q24 to 11.0K in 3Q25.
- Gross profit decreased by 2.5% YoY to SAR 113.4 mn in 3Q25, primarily driven by higher depreciation linked to fleet expansion, as well as rising personnel and maintenance expenses. As a result, the gross margin narrowed by 1.5 percentage points to 27.4% in 3Q25, compared to 28.8% in 3Q24.
- Operating profit increased by 10.9% YoY to SAR 84.8 mn in 3Q25, supported by a 28.2% reduction in operating expenses, which declined to SAR 29 mn. Lumi also recorded other operating income of SAR 8 mn in Q3 2025, versus none in Q3 2024, contributing to a 31.3% increase in net profit.
- *We have a target price of SAR 72.3 per share, indicating a potential upside of 15.7% based on the last closing price. The stock is trading at a 2025e PER of 16.2x, and we maintain an overweight stance on the stock, supported by resilient earnings performance and continued expansion in the lease segment.*

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| OVERWEIGHT | NEUTRAL | UNDERWEIGHT |
|---|---|---|
| Expected return is more than +15% | Expected return is between +15% & -10% | Expected return is lower than -10% |

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