Daily Bulletin

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LUMI: Second NUPCO contract, worth over 8% of 2025 revenue, extends Lumi into logistics operations

Last Price: SAR 20.4 | YTD Performance: -59.6% | Consensus Target Price: SAR 26.8

Lumi Rental Co. (Lumi) signed a 5-year agreement with the National Unified Procurement Company (NUPCO) to operate and manage NUPCO's logistics center in the Aseer Region. The NUPCO center handles, distributes and transports medicines and medical supplies, and Lumi will provide the personnel, refrigerated vehicles and handling equipment. The contract is worth more than 8% of 2025 revenue, with the financial impact expected from 1Q27.

Based on 2025 revenue of SAR 1,668.8 mn, the contract implies a value of at least SAR 133.5 mn, or about SAR 26.7 mn a year. This alone would exceed the SAR 16.1 mn generated in 2025 by Lumi's "Others" segment, which is mainly its logistics business. That segment reached SAR 21.2 mn in 9M26 (1.7% of revenue), up from SAR 7.7 mn in 9M25.

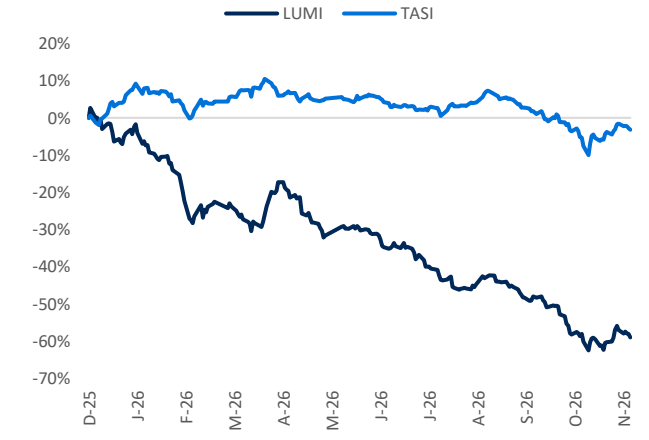
This is Lumi's second agreement with NUPCO, after a 2-year, non-exclusive framework signed in Jun-25 to transport medical supplies. In Jun-26, Lumi also set up Lumi Logistics, a fully owned subsidiary for freight transport and storage services, which had not started operations by end-3Q26.

Lumi's earnings were under pressure in 9M26, with net profit down 61.3% YoY to SAR 61.9 mn, as rental revenue dropped 21.9% to SAR 303.3 mn and provisions for credit losses rose to SAR 28.5 mn from SAR 7.3 mn. Leasing held up, with revenue up 5.0% YoY to SAR 516.8 mn in 9M26.

Lumi's total fleet fell 5.2% YoY to 32.6K vehicles at end-3Q26, all from rental, as Northern Region project activity was reduced and postponed. The rental fleet fell 18.2% to 9.0K vehicles and utilization dropped to 70.9% from 76.9%, while the lease fleet was stable at 23.5K. Growth in leasing and logistics is expected to partly offset the rental weakness, although logistics is still small at 1.7% of 9M26 revenue. The smaller fleet also helped cut net debt by 23.0% YoY to SAR 1,304.8 mn.

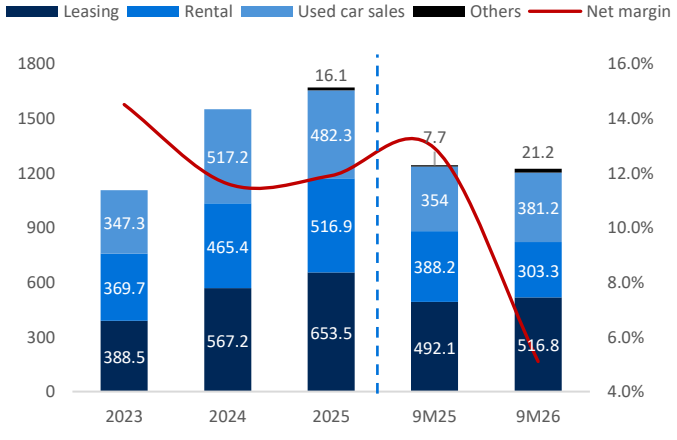
Lumi's stock has declined 59.6% YTD, as of last close of SAR 20.4, underperforming TASI, which declined 5.1% during the same period. The stock trades at a 2027f P/E of 8.3x, while the consensus target price of SAR 26.83 implies an upside of 31.3%.

Relative price chart



Source: Bloomberg, anbc research

Revenue by segment and net margin (SAR mn)



Source: Company financials, anbc research

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