

# Lumi Rental Co.

Continued strategic shift toward the leasing segment remains a key focus.

Rating: Overweight | 12M Target Price: SR72.3 **August 06, 2025**

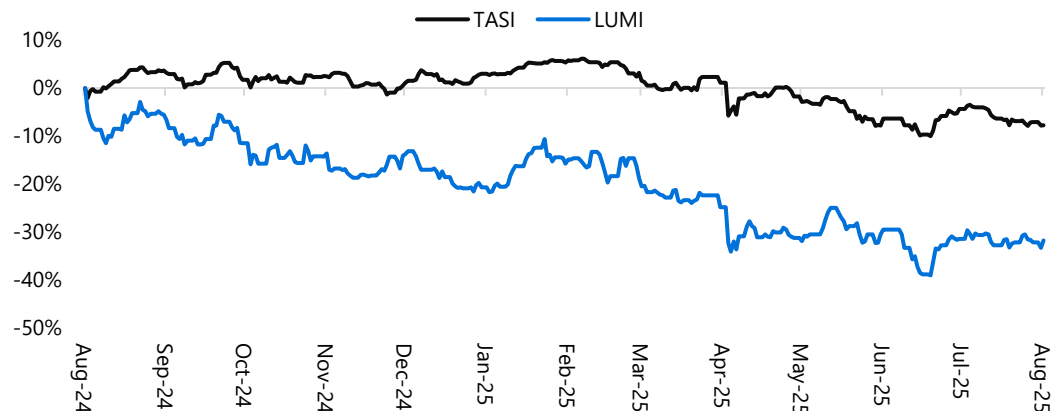
Market Data		Valuations	2024A	2025E	2026E	2027E
Last Price (SR)*	63	Net Income (SRmn)	180	212	247	328
Target Price (SR)	72.3	EPS (SR)	3.3	3.9	4.5	6.0
Upside / Downside (%)	15%	PER (x)	19.2	16.3	14.0	10.6
Market Cap (bn) (SR/USD)	4.0/1.1	P/BV (x)	2.9	2.4	2.1	1.7
52 week High / Low (SR)	88.4/54.0	DPS (SR)	-	-	-	-
12-month ADTV (mn) (SR/USD)	13.2/3.5	Div. Yield (%)	-	-	-	-
YTD Return (%)	-14%	RoAE (%)	16.1	16.1	16.0	17.9
Bloomberg Code	Lumi AB	RoAA (%)	5.4	6.1	6.8	8.8

\*last price as of 05 August 2025

Financials (SR mn)	2Q25A	2Q25E*	Var (%)	2Q24A	YoY (%)	1Q25A	QoQ (%)
Revenue	416	412	1.1	360	15.4	412	1.1
Cost of revenue	291	291	0.0	265	9.7	291	0.0
Gross profit	125	120	3.9	95	31.4	120	3.9
Gross margin (%)	30	29	0.8	26	3.6	29	0.8
OPEX	40	39	2.3	12	238.8	37	7.4
Operating profit	85	81	4.7	83	1.8	83	2.3
Operating margin (%)	20	20	0.7	23	-2.7	20	0.2
Net income	54	51	5.6	46	17.8	53	2.0
Net margin (%)	13	12	0.6	13	0.3	13	0.1
EPS	0.99	0.93	5.6	0.84	17.8	0.97	2.0
DPS	-	-	-	-	-	-	-

\*anbc estimates

## Price Performance



Source: Tadawul, Bloomberg and anbc research

**Lumi Rental Co. (LUMI AB) reported a net profit of SR 54.2 mn (EPS: SR 0.99) in 2Q25, reflecting a 17.8% YoY and 2.0% QoQ increase. The results were broadly in line with our estimates. Lumi exhibited strong YoY growth in profitability despite a higher operating income in 2Q24 resulted from cash rebate from the vehicle vendor. The growth in earnings was mainly driven by an increase in revenue, cost control, and lower finance cost.**

- Revenue increased by 15.4% YoY to SAR 416 mn in 2Q25 versus SAR 360 mn in 2Q24, as reported by the company. The growth in topline is attributed to strong lease and rental segment performance. Lease segment's revenue increased by 23% YoY partially due to 18% growth in average lease revenue per vehicle and 4% rise in fleet size. Additionally, rental segment revenue increased by 19% YoY in 2Q25, driven by 21% YoY growth in average rental revenue per vehicle.
- Total fleet size improved by 2% YoY to 34.0K vehicles in 2Q25 compared to 33.5K in 2Q24. Lease segment's fleet size increased by 4% to 23.6K in 2Q25 versus 22.7K in 2Q24. Meanwhile, rental segment's fleet size dropped by 4% YoY to 10.4K in 2Q25 compared to 10.9K in 2Q24.
- Lease segment remained the highest revenue contributor, accounting for 39.5% of the total topline, followed by rental and used car sales segments, which contributed 32.4% and 28.1%, respectively, to total revenue in 2Q25.
- Gross profit increased by 31.4% YoY in 2Q25 due to a low base in 2Q24, which was impacted by a higher cost of revenue, mainly driven by higher cost of vehicles sold. The gross margin improved by 3.6 percentage points to 30.1% in 2Q25, compared to 26.4% in 2Q24. The improvement in margin was supported by the lower margin in 2Q24, resulting from the higher cost of vehicles sold.
- Operating expenses rose by 238.8% YoY to SAR 40 mn in 2Q25 due a low base in 2Q24. In 2Q24, Lumi recorded an operating income of SAR 27 mn due to discretionary cash rebate from a vehicle vendor, lowering the net operating cost.
- Earnings increased by 17.8% YoY in 2Q25, despite a higher cash rebate from vehicle vendor in 2Q24. The earnings growth in 2Q25 was supported by its strategic shift to focus on lease segment, which resulted in higher revenue in both segments and, improved pricing. Additionally, finance cost decreased by 18% YoY to SAR 29 mn in 2Q25 compared to SAR 36 mn in 2Q24.
- Lumi posted a 2Q25 performance supported by strong lease segment growth and margin improvement. We have a target price of SAR 72.3/share. At a 2025e P/E of 16.3x and P/BV of 2.4x, we maintain an Overweight stance on the stock.

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