

Lumi Rental Co.

October 29, 2026

Rental segment weakness and losses on used car sales drive a 79% YoY drop in net profit, below our estimates

Last Price: SAR 20.4 | YoY Performance: -66.8%

KEY TAKEAWAYS

- Lumi posted a net profit of SAR 11.0 mn in 3Q26 (EPS: SAR 0.20), down 79.1% YoY. The result came 34.5% below our net profit estimate of SAR 16.8 mn. The decline is mainly attributable to continued weakness in short-term rental utilization and pricing, a loss on used car sales as purchase price recovery fell, higher G&A expenses and elevated receivables provisioning.
- Revenue rose 11.5% YoY to SAR 462.0 mn, 13.6% above our estimated revenue of SAR 406.6 mn, driven by higher used car sales and lease revenue, partly offset by lower rental revenue. Lease revenue rose 11.0% YoY to SAR 187.0 mn on an 11.5% increase in lease revenue per vehicle to SAR 31.9K, while rental revenue fell 29.5% YoY to SAR 90.0 mn as utilization dropped 6.0 ppts YoY to 70.9% and the rental rate per vehicle declined 21.1% YoY to SAR 37.7K. Net revenue ex-used car sales fell 6.5% to SAR 277.0 mn. Used car sales generated SAR 185.0 mn, up 56.4% YoY, with volumes up 52.6% YoY to 2.9K units and revenue per sold vehicle up 1.9% YoY to SAR 64.6K.
- Gross margin narrowed to 17.7% in 3Q26 from 27.4% in 3Q25, below our estimate of 23.1%. COGS rose 26.3% YoY to SAR 380.2 mn as cost of vehicles sold jumped 63.6% to SAR 190.1 mn on higher disposal volumes, with purchase price recovery down 4.5 ppts to 62.9%. Repairs and maintenance rose 29.3% YoY to SAR 19.0 mn on an older rental fleet (average age of 1.8 years vs. 1.3 years), while vehicle depreciation eased 1.1% to SAR 99.0 mn and insurance costs declined 3.2% to SAR 12.1 mn.
- Company reported an operating profit of SAR 34.7 mn, down 59.0% YoY. G&A rose 30.1% YoY to SAR 47.6 mn, while provisions rose to SAR 13.1 mn from SAR 0.5 mn in 3Q25, partly offset by higher other operating income of SAR 13.6 mn (3Q25: SAR 8.5 mn). Meanwhile, net profit excluding one-offs was SAR 10.5 mn, down 76.5% YoY.
- Total fleet stood at 32.6K vehicles, down 5.2% YoY, with the rental fleet down 18.2% to 9.0K and leasing broadly stable at 23.5K. Net debt declined 23.0% YoY to SAR 1,304.8 mn, with Net Debt/EBITDA improving to 1.97x from 2.21x.
- With rental segment weakness and used car sale losses weighing on near-term earnings, we place company on "Under-Review" and will publish an investment update following the release of detailed 3Q26 financial statements.

Analyst Contact:

Raed N. Alshalhoub

Analyst - Sell-Side Research

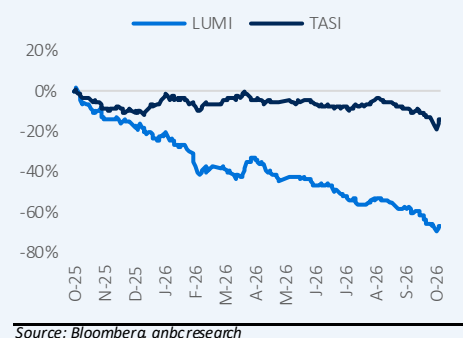
Raed.Alshalhoub@anbcapital.com.sa

+966 11 4062500 Ext. 2677

Issuer Information

Bloomberg Code	LUMI AB
Last Price (SAR)	20.4
No of Shares (mn)	55.0
Market Cap bn (SAR/USD)	1.1 / 0.3
52-week High / Low (SAR)	62.5 / 18.7
12-month ADTV (mn) (SAR/USD)	6.6 / 1.8
Free Float (%)	28.6
Foreign Holdings (%)	1.7
Last price as of October 28 th , 2026	

Relative Price Performance



Financials (SAR mn)	3Q26A	3Q26E*	Var (%)	3Q25A	YoY (%)	2Q26A	QoQ (%)
Revenue	462	407	13.6	414	11.5	394	17.1
Cost of Revenues (COGS)	(380)	(312)	21.7	(301)	(26.3)	(302)	25.9
Gross Profit	82	94	(13.0)	113	(27.8)	92	(11.5)
Gross Margin (%)	17.7%	23.1%		27.4%		23.4%	
Operating Expenses	47	49	(4.4)	29	64.7	56	(16.4)
Operating Profit	35	45	(22.5)	85	(59.0)	36	(3.7)
Operating Margin (%)	7.5%	11.0%		20.5%		9.1%	
Net Income	11	17	(34.5)	53	(79.1)	11	1.8
Net Margin (%)	2.4%	4.1%		12.7%		2.7%	
EPS (SAR)	0.20	0.31	(34.5)	0.96	(79.1)	0.20	1.8

*anbc estimate

Source: Company Financials, anbc research

Disclaimer

anb capital is a Saudi Closed Joint Stock Company with paid up capital of SAR 1,000 million and is licensed by the Capital Market Authority of Saudi Arabia under license number 07072-37 and Unified Number 7001548267, with its head office at 3581 Al Mouyyad Al Jadid, Al Murabba, PO Box 220009, Riyadh 11311, Saudi Arabia, telephone number 800 124 0055.

This report is prepared by anb capital, a full-fledged investment bank providing investment banking, asset management, securities brokerage and research services. anb capital and its affiliates, may have or seek investment banking or other business relationships for which it will receive compensation from the companies that are the subject of this report. Also, anb capital (or its officers, directors or employees) may have a position in the securities that are the subject of this report.

This report has been prepared on the basis of information believed to be reliable, but anb capital makes no guarantee, representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information, nor do they accept any responsibility for loss or damage arising in any way (including by negligence) from errors in, or omissions from the information.

This report is intended only for the recipient to whom the same is delivered by anb capital and should not be reproduced, redistributed, forwarded or relied on by any other person. The distribution of this report in some jurisdictions may be restricted by law, and persons into whose possession this report comes should inform themselves about, and observe, any such restriction.

This report has been prepared by anb capital for information purposes only and is not and does not form part of nor should be considered advice, recommendation, offer for sale or solicitation of any offer to subscribe for, purchase or sell any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever, and any views or opinions expressed herein are subject to change without notice.

This report and information contained herein, are provided for informational purpose only and does not take into consideration any investment objective, financial situation or particular needs of any recipient and are not designed with the objective of providing information to any particular recipient and only provides general information. anb capital assumes that each recipient would make its own assessment and seek professional advice, including but not limited to, professional legal, financial and accounting advice, before taking any decision in relation to the information provided in the report. Recipients should consider their own investment objectives and financial situation and seek professional advice before making any investment decisions.

Under no circumstance will anb capital nor any of its respective directors, officers or employees be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with the use of or reliance on the information contained in this report.

All opinions, estimates, valuations or projections contained in this report constitute anb capital's current opinions, assumptions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no guarantee that future results or events will be consistent with any such opinions, estimates, valuations or projections. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions and future actual outcomes and returns could differ materially from what is forecasted.

Past performance is not necessarily indicative of future performance and the value of an investment may fluctuate. Accordingly, any investment made pursuant to this report in any security is neither capital protected nor guaranteed. The value of the investment and the income from it can fall as well as rise as the investment products are subject to several investment risks, including the possible loss of the principal amount invested. No part of the research analysts' compensation is related to the specific recommendations or views in the research report.

By accepting this report, the recipient agrees to be bound by the foregoing limitations.

Ratings Guidelines

anb capital's investment research is based on the analysis of economic, sector and company fundamentals with the objective of providing a long term (12 month) fair value target for a company.

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

Analyst Certification:

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

Contact

ANB Capital Head Office

3581 Al Mouyyad Al Jadid, Al Murabba, Riyadh 11311,

PO Box 22009, Kingdom of Saudi Arabia

Tel: +966 11 406 2500, 800 124 0055

Email: research@anbcapital.com.sa

Web: www.anbcapital.com.sa