

Result update

Lumi Rental Co

Sector : Vehicle Rental

BUY

23 November 2025

- Revenue grew 3% YoY, driven by growth across the lease and rental segments, partially offset by lower revenue from car resale.
- Gross margin miss estimate, operating margins improved YoY and exceeded our projections.
- Profit was boosted by a one-off rebate of SAR 8mn; excluding this rebate, profit fell short of projections.
- Slightly reduce our revenue and profit estimates; we see the recent price correction is unwarranted, and revise rating to **BUY** from **STRONG BUY** with target price of SAR 64 per share.

Target price (SAR) **64.0**

Current price (SAR) **55.3**

Return **15.7%**



Exchange Saudi Arabia
Index weight (%) 0.04%

(mn)	SAR	USD
Market Cap	3,042	811
Enterprise value	5,191	1,384

Major shareholders

SEERA HLDG GRP	70%
Al-Zaeem Ahmed Samer	1.1%
Blackrock Inc	0.5%
Others	28.3%

Valuation Summary

PER TTM (x)	14.5
P/Book (x)	2.2
EV/EBITDA (x)	6.6
Dividend Yield (%)	NA
Free Float (%)	28%
Shares O/S (mn)	55
YTD Return (%)	-22%
Beta	1.2

Key ratios	2022	2023	2024
EPS (SAR)	2.61	2.92	3.28
BVPS (SAR)	15.34	18.64	22.04
DPS (SAR)	0.00	0.00	0.00
Payout ratio (%)	0%	0%	0%

Price performance (%)	1M	3M	12M
Lumi Rental Co	-11%	-10%	-24%
Tadawul All Share Index	-5%	1%	-7%

52 week	High	Low	CTL*
Price (SAR)	81.30	54.00	2.4

* CTL is % change in CMP to 52wk low

Lumi Rental reported 3Q25 revenue of SAR 414mn, up 3% YoY, slightly below our estimate. Revenue for 9M25 grew 8% YoY to SAR 1.24bn. Top-line growth during the quarter was driven by both leasing and rental segments. Leasing operations rose 16.4% YoY, supported by a 12% YoY increase in revenue per vehicle. Short-term rental revenue grew 12% YoY, driven by 11.3% YoY rise in revenue per vehicle, although utilization slipped to 76.9% in 3Q25 from 80.9% in 3Q24. The total fleet size increased modestly by 2.7% YoY to 34,400 vehicles. Expansion remained moderate due to a high base following substantial fleet additions in late 2023. Lease vehicles grew 4% YoY, while the rental fleet remained broadly stable YoY as Lumi prioritized high service levels and digital fulfilment. Car resale revenue declined 18% YoY due to a 21.3% YoY drop in vehicle sales volume, reflecting the company's ongoing fleet renewal cycle and was partly offset by a 4.3% YoY growth in average realization.

Gross profit fell 2.5% YoY, as direct costs rose 5% YoY, compressing the gross margin to 27.4% in 3Q25 from 28.8% in 3Q24. Operating expenses decreased 7.2% YoY, primarily due to lower general and administrative expenses and reduced provisions for credit losses. The company also reported SAR 8mn in other operating income due to a vehicle rebate, with no similar rebate expected in 4Q25. Financial expenses fell 13% YoY on the back of lower funding costs. Supported by reduced operating and finance expenses and higher other income, net profit increased 31.3% YoY, in line with expectations; however, excluding the rebate, profit missed our estimate by 10%. Margins improved YoY and exceeded our expectations, except for gross margin.

Valuation and outlook: Lumi continues to strengthen its position as Saudi Arabia's leading mobility provider, benefiting from infrastructure expansion, rising tourism, and upcoming giga-projects. The company remains focused on offering a diversified vehicle mix and investing in digital platforms to enhance the rental experience. Resale operations remain under pressure, and for 2025, used-car sales are expected to reach 7.5k units, with no major margin expansion anticipated. However, Lumi remains focused on disciplined fleet rotation and lifecycle optimization, supported by the resilience of the Kingdom's secondary car market. Given the top-line shortfall and rebate-adjusted profit miss, we revise our target price to SAR 64 per share, implying 15.7% upside from current levels, and lower our rating to **BUY** from **STRONG BUY**. Lumi currently trades at 14.9x 2025e P/E.

Income statement (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Revenue	521	783	1,106	1,550	1,645	1,785	1,931	2,062
Direct Costs	-357	-523	-725	-1,112	-1,173	-1,255	-1,343	-1,437
Gross Profit	165	260	381	438	472	530	588	625
General and administrative expenses	-46	-59	-119	-145	-147	-161	-174	-186
Provision for expected credit loss	-14	-36	-19	-3	-11	-18	-19	-21
Other expenses	-0	-	-20	-6	-	-4	-4	-4
Other income	8	7	10	34	14	9	10	10
EBIT	112	173	233	318	328	357	400	425
EBITDA	317	437	503	702	771	814	884	954
Finance cost	-3	-24	-68	-133	-119	-129	-136	-132
PBT	109	148	165	185	209	228	265	293
Tax	-3	-5	-5	-5	-5	-6	-7	-7
Net Profit	106	144	161	180	204	222	258	285

Balance Sheet (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Vehicles	1,051	1,472	2,712	2,860	3,149	3,469	3,817	4,185
PP&E	38	7	14	31	41	51	60	68
RUA	-	73	89	78	46	19	-10	-34
Intangible asset	-	-	2	4	3	3	3	3
Total non-current assets	1,089	1,561	2,858	3,000	3,271	3,573	3,902	4,254
Receivables, Net	192	174	242	268	428	464	502	536
Current inventories	0	1	2	10	2	3	3	3
Cash and bank balances	17	49	41	30	26	39	61	93
Total current assets	274	283	389	374	456	506	566	632
TOTAL ASSETS	1,363	1,844	3,246	3,374	3,727	4,078	4,468	4,885
Share capital	550	550	550	550	550	550	550	550
Statutory reserve	15	29	29	29	29	29	29	29
Other reserve	-	-	20	26	26	26	26	26
Retained earnings	134	264	426	607	810	1,033	1,291	1,576
Total Equity attributable to shareholders	699	844	1,025	1,212	1,416	1,638	1,896	2,182
Total equity	699	844	1,025	1,212	1,416	1,638	1,896	2,182
Long-Term Debt	-	365	933	1,013	1,048	1,148	1,248	1,348
Long-term lease liabilities	9	46	56	41	38	40	42	44
Other	9	13	18	22	27	27	27	27
Total non-current liabilities	18	424	1,006	1,076	1,114	1,216	1,318	1,419
Payables	232	392	721	398	352	377	403	431
Short-term Debt	-	128	413	596	767	767	767	767
Short-term lease liabilities	13	28	34	40	38	40	42	44
Accruals and other liabilities	16	24	43	47	35	35	35	35
Zakat payable	3	5	5	5	5	6	7	7
Total current liabilities	646	577	1,215	1,086	1,198	1,225	1,254	1,284
Total liabilities	664	1,001	2,221	2,162	2,311	2,440	2,572	2,704
Total equity and liabilities	1,363	1,844	3,246	3,374	3,727	4,078	4,468	4,885

Cash Flow (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Cash from operations	-148	-77	-806	-209	-622	-569	-608	-621
Investing cash flow	-2	-1	-17	-29	-24	-26	-27	-28
Financing cash flow	151	110	814	226	643	607	657	681
Change in cash	1	32	-8	-12	-3	13	22	32
Beginning cash	16	17	49	41	30	26	39	61
Ending cash	17	49	41	30	26	39	61	93

Ratio Analysis	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Per Share								
EPS (SAR)	1.93	2.61	2.92	3.28	3.70	4.04	4.69	5.19
BVPS (SAR)	12.71	15.34	18.64	22.04	25.75	29.78	34.47	39.66
DPS (SAR)	-	-	-	-	-	-	-	-
FCF per share (SAR)	-2.73	-1.42	-14.95	-4.32	-11.75	-10.81	-11.54	-11.81
Valuation								
Market Cap (SAR, Millions)	3,630	3,630	5,500	3,916	3,042	3,042	3,042	3,042
EV (SAR, Millions)	3,635	4,148	6,894	5,577	4,907	4,999	5,080	5,152
EBITDA	317	437	503	702	771	814	884	954
P/E (x)	34.2	25.3	34.2	21.7	14.9	13.7	11.8	10.7
EV/EBITDA (x)	11.4	9.5	13.7	7.9	6.4	6.1	5.7	5.4
Price/Book (x)	5.2	4.3	5.4	3.2	2.1	1.9	1.6	1.4
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Price to sales (x)	7.0	4.6	5.0	2.5	1.8	1.7	1.6	1.5
EV to sales (x)	7.0	5.3	6.2	3.6	3.0	2.8	2.6	2.5
Liquidity								
Cash Ratio (x)	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Current Ratio (x)	0.4	0.5	0.3	0.3	0.4	0.4	0.5	0.5
Quick Ratio (x)	0.4	0.5	0.3	0.3	0.4	0.4	0.4	0.5
Returns Ratio								
ROA (%)	7.8%	7.8%	4.9%	5.3%	5.5%	5.4%	5.8%	5.8%
ROE (%)	15.2%	17.0%	15.7%	14.9%	14.4%	13.6%	13.6%	13.1%
ROCE (%)	14.8%	11.3%	7.9%	7.9%	8.1%	7.8%	8.0%	7.9%
Cash Cycle								
Inventory turnover (x)	912	360	379	107	500	500	500	500
Accounts Payable turnover (x)	1.5	1.3	1.0	2.8	3.3	3.3	3.3	3.3
Receivables turnover (x)	2.1	3.4	3.2	4.6	3.8	3.8	3.8	3.8
Inventory days	0	1	1.0	3.4	0.7	0.7	0.7	0.7
Payable Days	237	274	363	131	110	110	110	110
Receivables days	176	108	114	79	95	95	95	95
Profitability Ratio								
Net Margins (%)	20.3%	18.4%	14.5%	11.6%	12.4%	12.4%	13.4%	13.8%
EBITDA Margins (%)	60.9%	55.9%	45.5%	45.3%	46.9%	45.6%	45.8%	46.3%
PBT Margins (%)	20.9%	19.0%	15.0%	11.9%	12.7%	12.8%	13.7%	14.2%
EBIT Margins (%)	21.5%	22.0%	21.1%	20.5%	19.9%	20.0%	20.7%	20.6%
Leverage								
Total Debt (SAR, Millions)	22	567	1,435	1,691	1,892	1,996	2,100	2,203
Net Debt (SAR, Millions)	5	518	1,394	1,661	1,866	1,957	2,039	2,110
Debt/Equity (x)	0.0	0.7	1.4	1.4	1.3	1.2	1.1	1.0
Net Debt/EBITDA (x)	0.0	1.2	2.8	2.4	2.4	2.4	2.3	2.2
Net Debt/Equity (x)	0.0	0.6	1.4	1.4	1.3	1.2	1.1	1.0

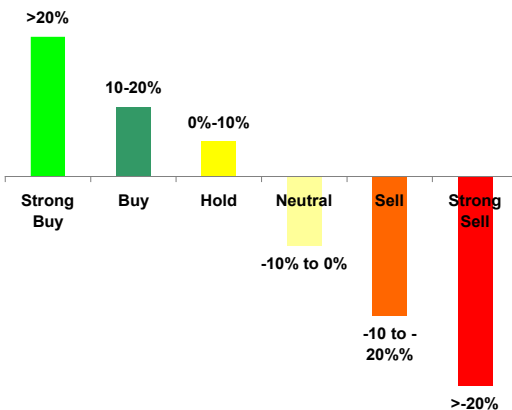
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Rating Criteria and Definitions

Rating



Rating Definitions

Strong Buy	This recommendation is used for stocks whose current market price offers a deep discount to our 12-Month target price and has an upside potential in excess of 20%
Buy	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 10% to 20%
Hold	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 0% to 10%
Neutral	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between 0% to -10%
Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between -10% to -20%
Strong Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential in excess of 20%
Not rated	This recommendation used for stocks which does not form part of Coverage Universe

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