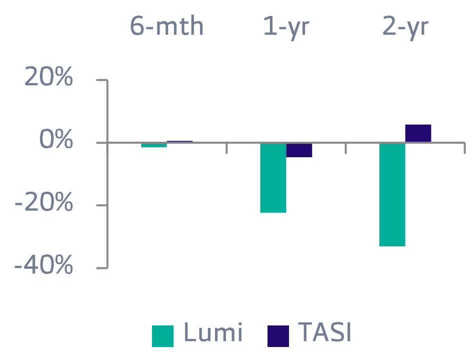
Results Match Expectations

November 04, 2025

Upside to Target Price	20.2%	Rating	Buy
Expected Dividend Yield	0.0%	Last Price	SAR 59.90
Expected Total Return	20.2%	12-mth target	SAR 72.00

Market Data	
52-week high/low	SAR 81.3/54.0
Market Cap	SAR 3,295 mln
Shares Outstanding	55 mln
Free-float	28.4%
12-month ADTV	157,882
Bloomberg Code	LUMI AB



Lumi	3Q2025	3Q2024	Y/Y	2Q2025	Q/Q	RC Estimate
Sales	414	403	3%	416	(0%)	429
Gross Profit	113	116	(2%)	125	(9%)	129
Gross Margins	27%	29%		30%		30%
Operating Profit	85	76	11%	85	(0%)	86
Net Profit	53	40	31%	54	(3%)	53

(All figures are in SAR mln)

- Lumi recorded revenues of SAR 414 mln in 3Q25, rising +3% Y/Y but remaining flat Q/Q, slightly below our estimate of SAR 429 mln. driven by growth in both short- and long-term rental segments, which increased +12% Y/Y. In contrast, used-car sales declined –15% Y/Y, primarily due to a –21% decrease in sales volumes, partially offset by a +8% increase in average revenue per vehicle. Fleet size reached 34.4k vehicles by the end of 3Q25, compared to 33.5k vehicles in 3Q24, marking a +3% Y/Y increase.
- Gross profit stood at SAR 113 mln, down –2% Y/Y and –9% Q/Q, slightly below our estimate. This deviation was attributed to lower-than-expected revenues, while cost of revenues stood at SAR 301 mln, in-line with our forecast. Gross margin contracted by –148 bps Y/Y and –272 bps Q/Q to reach 27%, below both prior quarters and our expectations, as revenue growth lagged cost increase.
- Operating profit came in-line with our estimates, increasing +11% Y/Y and remaining stable Q/Q, reaching SAR 85 mln. This was driven by a –4% Y/Y decline in G&A expenses, as well as the recognition of SAR 8 mln in other operating income, compared to none in the same quarter last year, along with the absence of employee incentives during the quarter. Operating margin expanded by +150 bps Y/Y to reach 20%, as expected.
- Lumi reported a net profit of SAR 53 mln for 3Q25, marking a strong +31% Y/Y increase but a –3% Q/Q decline, in line with our estimates. Net margin stood at 13%, improving by +276 bps Y/Y from 10% in 3Q24, while remaining broadly stable Q/Q. The solid Y/Y performance was driven by revenue growth, fleet expansion, and a –13% decline in finance costs. Based on these results, we maintain our recommendation and target price.

Raghad Aljumah
raghad.s.aljumah@riyadcapital.com
+966-11-203-6816

Disclaimer

Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors

For any feedback on our reports, please contact research@riyadcapital.com

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