

## Lumi Rental Co

Sector : Vehicle Rental

# HOLD

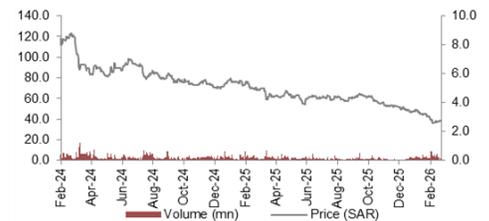
18 March 2026

- Revenue grew 7.7% YoY in 2025, driven by lease and rental growth, partly offset by weaker car resale revenue.
- Gross and EBIT margins declined YoY, while EBITDA and net margins improved slightly; however, overall margins missed forecasts.
- Profit rose 10% YoY and broadly aligned with estimates.
- For 2026e, we forecast revenue of SAR 1.74bn and profit of SAR 222mn. We downgrade rating to HOLD from BUY with a target price of SAR 42 per share.

Target price (SAR) **42.00**

Current price (SAR) **38.68**

Return **8.60%**



Exchange Saudi Arabia  
Index weight (%) 0.03%

(mn)	SAR	USD
Market Cap	2,127	567
Enterprise value	4,313	1,149

### Major shareholders

SEERA HLDG GRP	70%
Al-Zaeem Ahmed Samer	1.1%
Blackrock Inc	0.6%
Others	28.2%

### Valuation Summary

PER TTM (x)	10.7
P/Book (x)	1.5
EV/EBITDA (x)	5.6
Dividend Yield (%)	NA
Free Float (%)	28%
Shares O/S (mn)	55
YTD Return (%)	-23%
Beta	1.1

Key ratios	2023	2024	2025
EPS (SAR)	2.92	3.28	3.60
BVPS (SAR)	18.64	22.04	25.60
DPS (SAR)	0.00	0.00	0.00
Payout ratio (%)	0%	0%	0%

Price performance (%)	1M	3M	12M
Lumi Rental Co	-12%	-26%	-43%
Tadawul All Share Index	-2%	5%	-7%

52 week	High	Low	CTL*
Price (SAR)	70.60	35.26	9.7

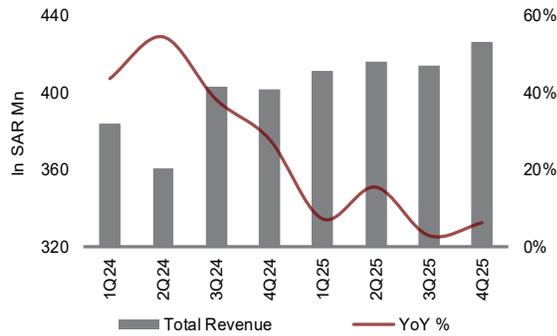
\* CTL is % change in CMP to 52wk low

Lumi Rental reported 2025 revenue of SAR 1.67bn, up 7.7% YoY and broadly in line with our estimate. Revenue in 4Q25 grew 6% YoY to SAR 427mn. Growth was driven by both leasing and rental segments, reflecting contract ramp-ups and improved pricing. Leasing revenue rose 15% YoY, supported by a 17% YoY increase in revenue per vehicle. Short-term rental revenue grew 11% YoY, driven by 4.5% YoY rise in revenue per vehicle, although utilization declined to 76.6% in 2025 from 80.6% in 2024. Total fleet size remained stable YoY at 34,389 vehicles, reflecting a balanced approach to fleet deployment aligned with contracted demand and utilization trends. Lease vehicles declined 1.5% YoY, while the rental fleet grew 6.3% YoY, supporting demand across individual and corporate customers. Car resale revenue fell 6.7% YoY due to a 5% YoY drop in vehicle sales volume, reflecting optimization of utilization and extended asset life.

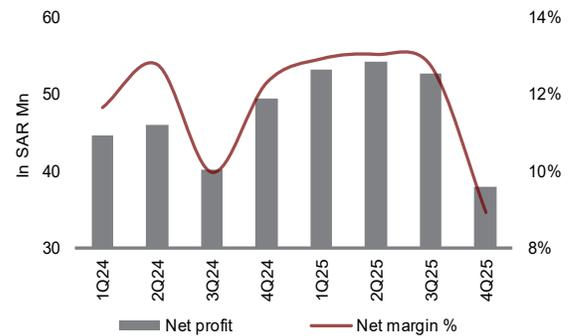
Gross profit growth was contained to 5% YoY, as direct costs outpaced revenue growth, rising 8.7% YoY in 2025. Consequently, gross margin contracted 70bps YoY to 27.5% in 2025 from 28.2% in 2024. Net operating expenses increased 16.7% YoY, due to higher general and administrative expenses, increased credit loss provisions and lower other income. As a result, EBIT margin declined 140bps YoY to 19.2% in 2025. Financial expenses fell 12.4% YoY due to lower debt levels and funding costs. Overall, net profit grew 10% YoY to SAR 198mn, with the net margin improving 20bps YoY to 11.9% in 2025. Net profit in 4Q25 decreased 23% YoY to SAR 38mn.

**Valuation and outlook:** Lumi continues to pursue strategic expansion guided by operating performance metrics that support capital allocation, fleet deployment, and long-term development. The company aims to maximize revenue per vehicle, utilization, and asset lifecycle value while maintaining operational flexibility. While revenue and profit met expectations, margins slightly underperformed. Ongoing geopolitical tensions in the region and temporary airspace closures are expected to weigh on travel and tourism, creating near-term headwinds in 1Q26. We forecast 2026e revenue of SAR 1.74bn and net profit of SAR 222mn. Accordingly, we lower our target price to SAR 42 per share, implying 8.6% upside from current levels, and downgrade our rating to HOLD from BUY. Lumi currently trades at 9.6x 2026e P/E.

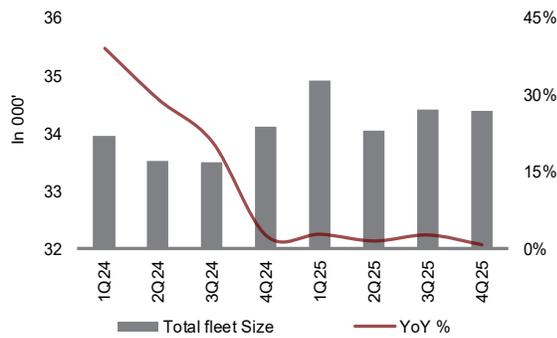
### Revenue grew 6% YoY driven by enhanced pricing



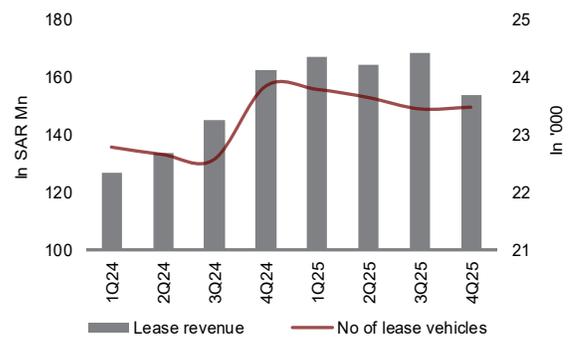
### Higher costs weigh on net margin in 4Q25



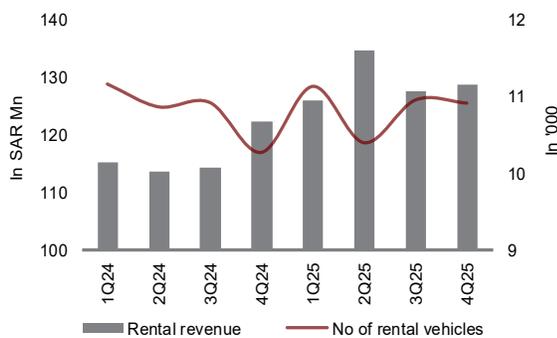
### Stable fleet size reflects balanced deployment



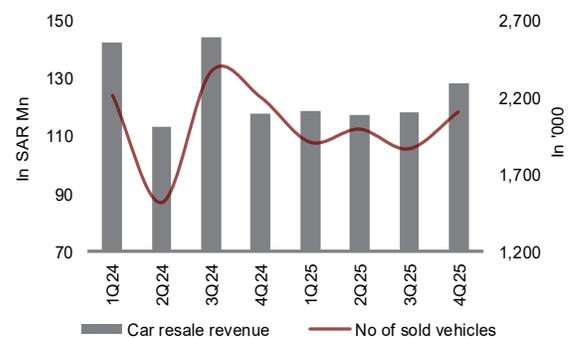
### Leasing revenue dips in 4Q25 on lower realization



### Rental revenue up driven by higher revenue per vehicle



### Car sales volume down owing to extended asset life





Income statement (in SAR Mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
<b>Revenue</b>	<b>783</b>	<b>1,106</b>	<b>1,550</b>	<b>1,669</b>	<b>1,746</b>	<b>1,872</b>	<b>1,993</b>	<b>2,122</b>
Direct Costs	-523	-725	-1,112	-1,209	-1,270	-1,333	-1,426	-1,526
<b>Gross Profit</b>	<b>260</b>	<b>381</b>	<b>438</b>	<b>460</b>	<b>476</b>	<b>539</b>	<b>567</b>	<b>595</b>
General and administrative expenses	-59	-119	-145	-151	-140	-159	-169	-191
Provision for expected credit loss	-36	-19	-3	-10	-9	-9	-10	-11
Other expenses	-	-20	-6	-	-	-	-	-
Other income	7	10	34	21	9	19	30	32
<b>EBIT</b>	<b>173</b>	<b>233</b>	<b>318</b>	<b>320</b>	<b>337</b>	<b>389</b>	<b>417</b>	<b>426</b>
<b>EBITDA</b>	<b>437</b>	<b>503</b>	<b>702</b>	<b>763</b>	<b>792</b>	<b>859</b>	<b>934</b>	<b>1,002</b>
Finance cost	-24	-68	-133	-116	-109	-116	-113	-118
<b>PBT</b>	<b>148</b>	<b>165</b>	<b>185</b>	<b>203</b>	<b>227</b>	<b>274</b>	<b>304</b>	<b>307</b>
Tax	-5	-5	-5	-5	-6	-7	-8	-8
<b>Net Profit</b>	<b>144</b>	<b>161</b>	<b>180</b>	<b>198</b>	<b>222</b>	<b>267</b>	<b>297</b>	<b>300</b>

Balance Sheet (in SAR Mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Vehicles	1,472	2,712	2,860	2,816	3,092	3,423	3,770	4,132
PP&E	7	14	31	45	55	64	73	81
RUA	73	89	78	78	64	44	28	5
Intangible asset	-	2	4	18	18	18	18	18
<b>Total non-current assets</b>	<b>1,561</b>	<b>2,858</b>	<b>3,000</b>	<b>2,960</b>	<b>3,231</b>	<b>3,553</b>	<b>3,891</b>	<b>4,239</b>
Receivables, Net	174	242	268	360	454	487	518	552
Current inventories	1	2	10	7	6	7	7	8
Cash and bank balances	49	41	30	21	20	39	74	94
<b>Total current assets</b>	<b>283</b>	<b>389</b>	<b>374</b>	<b>454</b>	<b>480</b>	<b>533</b>	<b>599</b>	<b>653</b>
<b>TOTAL ASSETS</b>	<b>1,844</b>	<b>3,246</b>	<b>3,374</b>	<b>3,414</b>	<b>3,711</b>	<b>4,086</b>	<b>4,491</b>	<b>4,892</b>
Share capital	550	550	550	550	550	550	550	550
Statutory reserve	29	29	29	26	26	26	26	26
Other reserve	-	20	26	29	29	29	29	29
Retained earnings	264	426	607	802	1,024	1,291	1,588	1,887
<b>Total Equity attributable to shareholders</b>	<b>844</b>	<b>1,025</b>	<b>1,212</b>	<b>1,408</b>	<b>1,629</b>	<b>1,896</b>	<b>2,193</b>	<b>2,493</b>
<b>Total equity</b>	<b>844</b>	<b>1,025</b>	<b>1,212</b>	<b>1,408</b>	<b>1,629</b>	<b>1,896</b>	<b>2,193</b>	<b>2,493</b>
Long-Term Debt	365	933	1,013	813	913	1,013	1,113	1,213
Long-term lease liabilities	46	56	41	26	25	22	16	8
Other	13	18	22	32	32	32	32	32
<b>Total non-current liabilities</b>	<b>424</b>	<b>1,006</b>	<b>1,076</b>	<b>872</b>	<b>971</b>	<b>1,067</b>	<b>1,162</b>	<b>1,253</b>
Payables	392	721	398	338	317	333	357	382
Short-term Debt	128	413	596	698	698	698	698	698
Short-term lease liabilities	28	34	40	50	47	41	31	15
Accruals and other liabilities	24	43	47	43	43	43	43	43
Zakat payable	5	5	5	5	6	7	8	8
<b>Total current liabilities</b>	<b>577</b>	<b>1,215</b>	<b>1,086</b>	<b>1,135</b>	<b>1,111</b>	<b>1,122</b>	<b>1,136</b>	<b>1,146</b>
<b>Total liabilities</b>	<b>1,001</b>	<b>2,221</b>	<b>2,162</b>	<b>2,006</b>	<b>2,082</b>	<b>2,189</b>	<b>2,297</b>	<b>2,399</b>
<b>Total equity and liabilities</b>	<b>1,844</b>	<b>3,246</b>	<b>3,374</b>	<b>3,414</b>	<b>3,711</b>	<b>4,086</b>	<b>4,491</b>	<b>4,892</b>

Cash Flow (in SAR Mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Cash from operations	-77	-806	-209	165	-631	-614	-614	-645
Investing cash flow	-1	-17	-29	-27	-24	-25	-27	-28
Financing cash flow	110	814	226	-146	654	659	675	692
Change in cash	32	-8	-12	-8	-2	20	35	20
Beginning cash	17	49	41	30	21	20	39	74
<b>Ending cash</b>	<b>49</b>	<b>41</b>	<b>30</b>	<b>21</b>	<b>20</b>	<b>39</b>	<b>74</b>	<b>94</b>



Ratio Analysis	2022	2023	2024	2025	2026e	2027e	2028e	2029e
<b>Per Share</b>								
EPS (SAR)	2.61	2.92	3.28	3.60	4.03	4.85	5.39	5.45
BVPS (SAR)	15.34	18.64	22.04	25.60	29.63	34.48	39.87	45.32
DPS (SAR)	-	-	-	-	-	-	-	-
FCF per share (SAR)	-1.42	-14.95	-4.32	2.50	-11.92	-11.62	-11.64	-12.22
<b>Valuation</b>								
Market Cap (SAR, Millions)	3,630	5,500	3,916	2,746	2,127	2,127	2,127	2,127
EV (SAR, Millions)	4,148	6,894	5,577	4,313	3,792	3,863	3,912	3,969
EBITDA	437	503	702	763	792	859	934	1,002
P/E (x)	25.3	34.2	21.7	13.9	9.6	8.0	7.2	7.1
EV/EBITDA (x)	9.5	13.7	7.9	5.6	4.8	4.5	4.2	4.0
Price/Book (x)	4.3	5.4	3.2	2.0	1.3	1.1	1.0	0.9
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Price to sales (x)	4.6	5.0	2.5	1.6	1.2	1.1	1.1	1.0
EV to sales (x)	5.3	6.2	3.6	2.6	2.2	2.1	2.0	1.9
<b>Liquidity</b>								
Cash Ratio (x)	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Current Ratio (x)	0.5	0.3	0.3	0.4	0.4	0.5	0.5	0.6
Quick Ratio (x)	0.5	0.3	0.3	0.4	0.4	0.5	0.5	0.6
<b>Returns Ratio</b>								
ROA (%)	7.8%	4.9%	5.3%	5.8%	6.0%	6.5%	6.6%	6.1%
ROE (%)	17.0%	15.7%	14.9%	14.1%	13.6%	14.1%	13.5%	12.0%
ROCE (%)	11.3%	7.9%	7.9%	8.7%	8.5%	9.0%	8.8%	8.0%
<b>Cash Cycle</b>								
Inventory turnover (x)	360	379	107	185	200	200	200	200
Accounts Payable turnover (x)	1.3	1.0	2.8	3.6	4.0	4.0	4.0	4.0
Receivables turnover (x)	3.4	3.2	4.6	4.1	3.8	3.8	3.8	3.8
Inventory days	1	1.0	3.4	2.0	1.8	1.8	1.8	1.8
Payable Days	274	363	131	102	91	91	91	91
Receivables days	108	114	79	89	95	95	95	95
<b>Profitability Ratio</b>								
Net Margins (%)	18.4%	14.5%	11.6%	11.9%	12.7%	14.3%	14.9%	14.1%
EBITDA Margins (%)	55.9%	45.5%	45.3%	45.7%	45.4%	45.8%	46.9%	47.2%
PBT Margins (%)	19.0%	15.0%	11.9%	12.2%	13.0%	14.6%	15.3%	14.5%
EBIT Margins (%)	22.0%	21.1%	20.5%	19.2%	19.3%	20.8%	20.9%	20.1%
<b>Leverage</b>								
Total Debt (SAR, Millions)	567	1,435	1,691	1,588	1,684	1,775	1,859	1,935
Net Debt (SAR, Millions)	518	1,394	1,661	1,567	1,665	1,735	1,785	1,842
Debt/Equity (x)	0.7	1.4	1.4	1.1	1.0	0.9	0.8	0.8
Net Debt/EBITDA (x)	1.2	2.8	2.4	2.1	2.1	2.0	1.9	1.8
Net Debt/Equity (x)	0.6	1.4	1.4	1.1	1.0	0.9	0.8	0.7

## Key contacts

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## Rating Criteria and Definitions

Rating	Rating Definitions
	<b>Strong Buy</b> 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%
	<b>Buy</b> 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%
	<b>Hold</b> 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%
	<b>Neutral</b> 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%
	<b>Sell</b> 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%
	<b>Strong Sell</b> 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%
	<b>Not rated</b> This recommendation used for stocks which does not form part of Coverage Universe

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