

Market Data	
52-week high/low	SAR 67.7/34.2
Market Cap	SAR 2,009 mln
Shares Outstanding	55 mln
Free-float	28.4%
12-month ADTV	165,973
Bloomberg Code	LUMI AB

Mixed Results During The Quarter

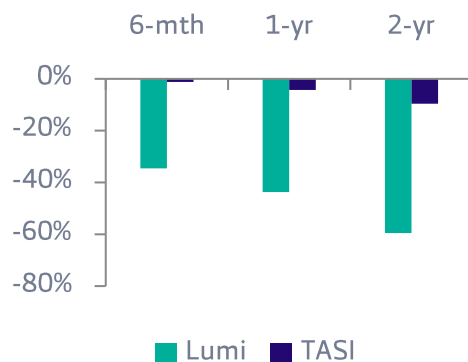
May 13, 2026

Upside to Target Price	23.2%
Expected Dividend Yield	0.0%
Expected Total Return	23.2%

Rating	Buy
Last Price	SAR 36.52
12-mth target	SAR 45.00

Lumi	1Q2026	1Q2025	Y/Y	4Q2025	Q/Q	RC Estimate
Sales	366	412	(11%)	427	(14%)	440
Gross Profit	114	120	(5%)	101	13%	125
Gross Margins	31%	29%		24%		28%
Operating Profit	66	83	(21%)	67	(2%)	85
Net Profit	40	53	(25%)	38	5%	55

(All figures are in SAR mln)



- Lumi's revenue declined by -11% Y/Y and -14% Q/Q to reach SAR 366 mln, below our estimate of SAR 440 mln. This was mainly driven by a decline in the used car sales segment (-35% Y/Y and -40% Q/Q), reflecting a shift towards enhancing operating returns and selecting the optimal timing for vehicle sales given current market conditions. The short-term rental segment also declined (-10% Y/Y and -12% Q/Q), due to lower utilization rates at 69.6% compared to 77.9% in 1Q25 and 75.2% in the previous quarter, in addition to a decline in rental yield per vehicle on both Y/Y and Q/Q basis by -11.5%. The Northern region's share of sales declined by around 7 percentage points Y/Y, while other regions recorded mixed growth on a Y/Y basis. The long-term rental segment recorded growth (+5% Y/Y and +4% Q/Q), despite a decline in the number of vehicles, as revenue per vehicle increased on both Y/Y and Q/Q basis by +8% and +5%, respectively, translating into the strength of long-term contracts.
- Gross profit declined by -5% Y/Y, while it increased by +13% Q/Q, as cost of sales declined by -13% Y/Y and -23% Q/Q, driven by lower cost of vehicles sold due to the decline in the used car sales segment. This decline supported gross income and margin on a Q/Q basis, with margin increasing from 29% in 1Q25 and from 24% in the previous quarter to reach 31% in 1Q26, above our expectations.
- Operating Profit reached SAR 66 mln, declining by -21% Y/Y and -2% Q/Q, below our expectations. Operating expenses increased by +28% Y/Y and +43% Q/Q to reach SAR 48 mln, above our estimate of SAR 40 mln. Operating margin reached 18%, down from 20% in 1Q25 and up from 16% in the previous quarter, slightly below our expectation of 19%.
- Lumi reported a net profit of SAR 40 mln, declining by -25% Y/Y and increasing by +5% Q/Q, below our estimate of SAR 55 mln. The Y/Y performance was driven by lower revenues and continued increase in operating expenses, while the decline in cost of sales and financing costs supported the Q/Q growth. We lower our target price to SAR 45.00 while maintaining our Buy recommendation, as the main impact during the quarter came from the used car sales segment, while net operating revenue (short- and long-term rental) remained largely stable on a Y/Y basis, declining by -1%, reflecting resilient operating performance amid current volatility.

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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

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