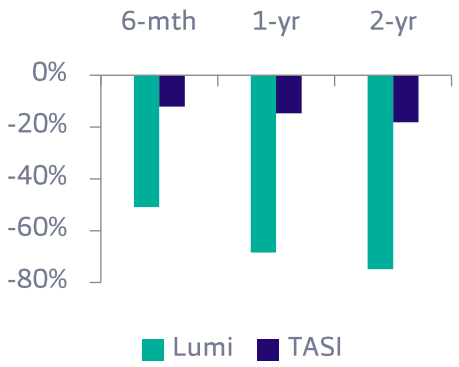
Rental Remains Under Pressure; Loss on used car sales

November 02, 2026

Upside to Target Price	55.6%	Rating	Buy
Expected Dividend Yield	0.0%	Last Price	SAR 19.28
Expected Total Return	55.6%	12-mth target	SAR 30.00

Market Data	
52-week high/low	SAR 62.3/18.2
Market Cap	SAR 1,060 mln
Shares Outstanding	55 mln
Free-float	28.6%
12-month ADTV	174,674
Bloomberg Code	LUMI AB



Lumi	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	462	414	12%	394	17%	420
Gross Profit	82	113	(28%)	92	(11%)	101
Gross Margins	18%	27%		23%		24%
Operating Profit	35	85	(59%)	36	(4%)	40
Net Profit	11	53	(79%)	11	2%	14

(All figures are in SAR mln)

- Lumi recorded topline of SAR 462 mln, up +12% Y/Y and +17% Q/Q, exceeding our estimate of SAR 420 mln. This was supported by higher lease revenue (+11% Y/Y and +7% Q/Q) and used car revenue (+57% Y/Y and +55% Q/Q), while rental revenue (-30% Y/Y and -10% Q/Q) declined due to lower rates and occupancy.
- Gross profit declined -28% Y/Y and -17% Q/Q to SAR 82 mln, below our estimate of SAR 101 mln. Cost of sales increased +26% both Y/Y and Q/Q to SAR 360 mln, above our estimate of SAR 320 mln, reflecting higher costs of vehicles sold in line with the increase in sales volumes. Consequently, gross margin contracted to 18%, compared with 27% in 3Q25 and 23% in the previous quarter.
- Operating profit reached SAR 35 mln, down -59% Y/Y and -4% Q/Q, and below our estimate. This was mainly due to higher provisions, which reached SAR 13.1 mln in 3Q26, compared with SAR 0.5 mln in 3Q25 and SAR 9.3 mln in the previous quarter. G&A expenses increased +30% Y/Y while remaining broadly flat Q/Q at SAR 48 mln, putting further pressure on the operating margin.
- Lumi reported net profit of SAR 11 mln, lower Y/Y but up Q/Q, below our estimate of SAR 14.4 mln and the market estimate of SAR 13.8 mln. The performance was driven by weakness in short-term rental, losses on used car sales, and continued elevated provisions, particularly on a Y/Y basis, reflecting the impact of regional disruptions.
- We lower our target price to SAR 30 per share while maintaining our Buy rating. We believe the current pressures are temporary and do not alter our positive long-term outlook, which is supported by the sector's strong fundamentals. We also view the share price decline as an attractive buying opportunity.

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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

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

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