

Lumi Rental Company announces SAR 46 million net profit in 2Q 2024

- Lumi's total revenue in 2Q 2024 surged by 55% year-on-year, driven by robust growth across all business segments.
- The company's active fleet expansion strategy led to a 29% increase in total fleet vehicles, totaling 33.5 thousand by the end of 2Q 2024, enhancing Lumi's market share.
- Utilization rates in the Rental segment improved by 20 percentage points year-on-year to 77.3% in 2Q 2024, driven by more effective fleet management and marketing strategies.
- Revenue distribution across Saudi Arabia highlights extensive operational reach, with the Northern region contributing 55.7% to Rental revenue in 2Q 2024.
- Careful fleet age management in both the Lease and Rental segments ensures vehicles consistently meet high client standards.
- The Used Car Sales segment saw a 47% increase in vehicles sold year-on-year in 2Q 2024, with a 70.1% purchase price recovery, demonstrating the effectiveness of Lumi's vehicle disposal strategy.
- Total expenses rose by 66% year-on-year in 2Q 2024, mainly due to the higher cost of vehicles sold and an increase in G&A expenses, supporting growth and maintaining competitiveness.
- Adjusted¹ EBITDA for 2Q 2024 reached SAR 288 million, a 57% year-on-year increase, with an Adjusted¹ EBITDA margin of 79.9%, showing strong operational effectiveness despite rising expenses.
- Lumi's net profit for 2Q 2024 amounted to SAR 46 million.
- Strategic investments in vehicles totaled SAR 449 million in 1H 2024, primarily debt-financed, aligning with Lumi's fleet expansion initiatives and efforts to secure a larger market share.

Riyadh, 5 August 2024 – In 2Q 2024, Lumi Rental Company maintained its growth trajectory, showcasing strong financial performance and reinforcing its position in the mobility sector. The company's fleet increased by 29% year-on-year to 33.5 thousand vehicles. This expansion is part of Lumi's strategy to scale operations and improve service quality. The vehicle utilization rate in the rental segment reached 77.3% during 2Q 2024, improving by 20 percentage points year-on-year.

Total revenue for the period increased by 55% year-over-year to SAR 360 million, driven by strong demand across Lumi's diversified service offerings. The Used Car Sales segment led this growth with an 81% revenue increase year-on-year, followed by the Lease and Rental segments, which grew by 50% and 40%, respectively. This revenue growth contributed to an Adjusted¹ EBITDA of SAR 288

¹ Adjusted EBITDA = EBITDA + Cost of vehicles sold

million, a 57% increase from 2Q 2023, with a margin of 79.9% (+0.9 pts year-on-year). Net profit for 2Q 2024 was SAR 46 million, down 7% from 2Q 2023, net profit margin reached 12.8%.

Operational and Financial Review²

Operating Indicators Highlights

	1H 2024	1H 2023	YoY, %	2Q 2024	2Q 2023	YoY, %
Total fleet, th vehicles ³	33.5	26.0	+29%	33.5	26.0	+29%
Rental Segment						
Fleet, th vehicles ³	10.9	9.9	+10%	10.9	9.9	+10%
Utilization, %	74.5%	61.8%	+12.7 ppts	77.3%	57.3%	+20.0 ppts
Average fleet age, years	1.2	1.4	-10%	1.2	1.5	-18%
Rental rate per vehicle ⁴ , SAR th	39.3	38.2	+3%	41.3	33.4	+24%
Lease Segment						
Fleet, th vehicles ³	22.7	16.1	+41%	22.7	16.1	+41%
Average fleet age, years	1.7	2.1	-20%	1.7	2.2	-25%
Lease rate per vehicle ⁴ , SAR th	23.9	22.9	+5%	23.5	23.1	+2%
Used Car Sales Segment						
Sold vehicles, th units ⁵	3.7	2.3	+60%	1.5	1.0	+47%
Purchase price recovery, %	70.9%	73.0%	-2.1 ppts	70.1%	73.0%	-2.9 ppts
Sale price per vehicle, SAR th ⁶	68.5	66.3	+3%	74.6	60.5	+23%

In 2Q 2024, Lumi Rental Company demonstrated robust growth across all operational segments, driven by strategic fleet expansion and an enhanced focus on customer service and digital transformation.

The total fleet increased to 33.5 thousand vehicles year-on-year, a 29% rise from 26.0 thousand vehicles in 2Q 2023. This growth is attributed to a focused fleet expansion strategy aimed at meeting the growing demand for mobility solutions across the Kingdom. Key contributors include a diversified vehicle offering tailored to various customer needs, investments in digital platforms to improve rental experiences, and a strategic emphasis on supporting the tourism sector in line with Vision 2030.

Lumi's Rental segment fleet expanded from 9.9 thousand to 10.9 thousand vehicles, marking a 10% year-on-year growth in 2Q 2024, though it saw a 3% decrease compared to 1Q 2024 due to strategic optimizations and the sale of vehicles at the end of their useful life. Utilization in 2Q 2024 improved by 20 percentage points year-on-year to 77.3%, mainly due to increased utilization among B2C clients. Despite the rapid fleet expansion at the end of 2023, the average rental rate per vehicle increased by 24% year-on-year in 2Q 2024 to SAR 41.3 thousand, as newly added vehicles began generating revenue at full scale. This also supported the 1H 2024 average rental rate of SAR 39.3 thousand (+3% year-on-year).

The Lease segment fleet grew significantly by 41% year-on-year from 16.1 thousand to 22.7 thousand vehicles in 2Q 2024, remaining stable compared to 1Q 2024. This segment benefits from rigorous fleet age management, with the average age of the fleet decreasing by 25% year-on-year in 2Q 2024 to 1.7 years. The lease rate per vehicle increased by 2% year-on-year to SAR 23.5 thousand in 2Q 2024, following completed deliveries to major clients, supporting the 1H 2024 average lease rate of SAR 23.9 thousand (+5% year-on-year).

² Figures and percentages in this document may not precisely total due to rounding

³ End of the period

⁴ Based on the average number of vehicles, annualized for quarterly numbers

⁵ Over the period

⁶ Based on the average number of sold vehicles, annualized for quarterly numbers

The company's Used Car Sales segment saw a 47% increase in sold vehicles year-on-year in 2Q 2024 and a 60% increase year-on-year in 1H 2024, with 3.7 thousand units sold in 1H 2024 following the fleet renewal cycle. The effective vehicle disposal strategy and ability to maximize recovery value were reflected in a 70.1% purchase price recovery rate in 2Q 2024. The average vehicle sale price in the UCS segment rose to SAR 74.6 thousand in 2Q 2024, a 23% year-on-year increase, driven by fleet mix adjustments and targeted sales strategies. Maintaining a purchase price recovery of 70% or higher, with an average vehicle age of 32 months, reflects a stable UCS market and the effectiveness of Lumi's de-fleeting strategy.

Income Statement Highlights

SAR Mn	1H 2024	1H 2023	YoY, %	2Q 2024	2Q 2023	YoY, %
Revenue	745	500	+49%	360	233	+55%
<i>Lease</i>	260	172	+51%	134	89	+50%
<i>Rental</i>	229	173	+32%	114	81	+40%
<i>Used Car Sales</i>	256	155	+65%	113	62	+81%
Cost of revenue	(536)	(327)	+64%	(265)	(155)	+71%
Gross profit	209	173	+21%	95	78	+22%
Operating expenses	(48)	(42)	+13%	(12)	(11)	+4%
EBIT	161	130	+23%	83	66	+26%
EBITDA	345	272	+27%	180	140	+28%
Adjusted ⁷ EBITDA	582	383	+52%	288	184	+57%
Total finance cost	(67)	(27)	+147%	(36)	(15)	+136%
Profit before zakat	93	103	-9%	47	51	-7%
Zakat expense	(3)	(3)	-11%	(1)	(1)	-0%
Net profit	91	100	-9%	46	50	-7%
Gross Profit Margin	28.0%	34.5%	-6.5 pts	26.4%	33.4%	-7.0 pts
EBIT Margin	21.6%	26.1%	-4.5 pts	23.1%	28.5%	-5.4 pts
EBITDA Margin	46.3%	54.3%	-8.0 pts	49.9%	60.1%	-10.2 pts
Adj. ⁷ EBITDA Margin	78.1%	76.6%	+1.5 pts	79.9%	79.0%	+0.9 pts
Net profit Margin	12.2%	20.0%	-7.8 pts	12.8%	21.3%	-8.6 pts

In 2Q 2024, Lumi achieved total revenue of SAR 360 million, marking a 55% increase from SAR 233 million in 2Q 2023. Significant growth across all three business segments underpinned these results. Healthy performance in 2Q 2024 supported revenue growth for the first half of 2024 (SAR 745 million, +49% year-on-year).

The Lease segment's revenue in 2Q 2024 surged by 50% year-on-year to SAR 134 million. The Rental segment expanded by 40% compared to 2Q 2023, contributing SAR 114 million. The Used Car Sales segment experienced an 81% year-on-year increase, reaching SAR 113 million, buoyed by strategic fleet management and favorable market conditions.

The company's cost of revenue rose in 2Q 2024 to SAR 265 million, up 71% year-on-year, primarily driven by the higher cost of vehicles sold. This increase pressured the gross profit margin, which decreased to 26.4% in 2Q 2024, down by 7.0 percentage points year-on-year. However, gross profit in 2Q 2024 still saw a healthy increase, totaling SAR 95 million, 22% higher than in 2Q 2023. For 1H 2024, gross profit expanded by 21% year-on-year to SAR 209 million.

⁷ Adjusted EBITDA = EBITDA + Cost of vehicles sold

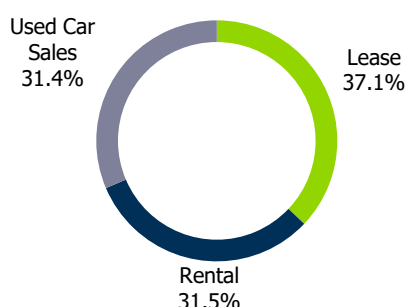
Operating expenses for the quarter grew by a modest 4% year-on-year to SAR 12 million, reflecting meticulous cost control in the quarter and a rise in other operating income. However, due to accelerated costs growth in 1Q 2024 driven by increased investment in personnel, technology, and infrastructure, operating costs in 1H 2024 expanded by 13% year-on-year, amounting to SAR 48 million.

EBITDA for 2Q 2024 reached SAR 180 million, a solid 28% increase from the previous year, showcasing Lumi's operational effectiveness. However, the EBITDA margin was 49.9% in 2Q 2024, down by 10.2 percentage points from 2Q 2023, due to rising expenses. Adjusted⁸ EBITDA (EBITDA plus the cost of vehicles sold) totaled SAR 288 million in 2Q 2024, representing a 57% increase year-on-year. The Adjusted⁸ EBITDA margin stood at 79.9%, an improvement of 0.9 percentage points from 2Q 2023. For 1H 2024, EBITDA and Adjusted⁸ EBITDA showed similar year-on-year dynamics.

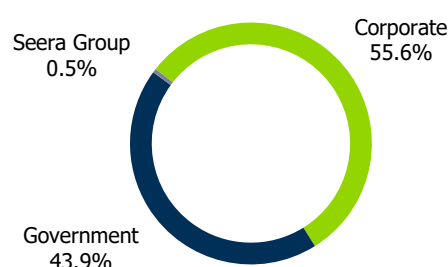
Total finance costs for the quarter saw a 2.4-fold increase to SAR 36 million, primarily due to increased borrowing and elevated interest rates. Net profit for 2Q 2024 declined by 7% year-on-year to SAR 46 million, contributing to a 1H 2024 net profit of SAR 91 million (-9% year-on-year). Despite the decline, these results demonstrate Lumi's strong market position and capacity to deliver profitable growth amid strategic investments, though under pressure from elevated finance costs.

Revenue Overview

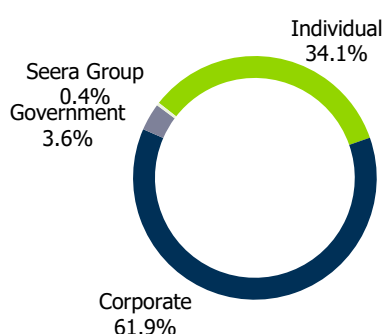
Total Revenue by segment, 2Q 2024



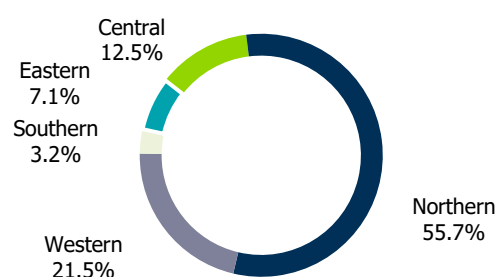
Lease Revenue by customer, 2Q 2024



Rental Revenue by customer, 2Q 2024



Rental Revenue by KSA region, 2Q 2024



In 2Q 2024, Lumi achieved total revenue of SAR 360 million, reflecting a well-balanced contribution from key operational segments and demonstrating the effectiveness of the company's strategic positioning and broad market appeal.

The Lease segment contributed 37.1% of the total revenue, primarily driven by a robust corporate client base which represents 55.6% of lease revenue. This highlights Lumi's strong relationships and trusted services in the corporate sector, which are essential for sustained revenue growth in this segment. The

⁸ Adjusted EBITDA = EBITDA + Cost of vehicles sold

increased contribution of the Lease segment to total revenue in 2Q 2024 (37.1%) compared to 1Q 2024 (32.9%) was due to an expanded client base and additional revenue from contracts secured last year in both government and corporate sectors.

The Rental segment accounted for 31.5% of overall revenue, showcasing Lumi's ability to attract a diverse customer base. Corporate clients made up 61.9% of rental revenue, up from 56.9% in 1Q 2024, driven by growth of corporate rental business across all regions dominated by the Northern region. Individual customers constituted 34.1% of rental revenue in 2Q 2024. This distribution underscores Lumi's strength in catering to both personal mobility needs and corporate transportation requirements, reinforcing its market presence across various consumer groups.

The Used Car Sales segment represented 31.4% of total revenue, reflecting the company's efficient fleet management strategy and the successful realization of vehicle value at the end of their lifecycle. This segment's performance indicates Lumi's capability to maximize returns on fleet investments and manage asset turnover effectively.

Geographically, Lumi's revenue distribution highlights its expansive operational reach and excellence throughout Saudi Arabia. The Northern region made a particularly significant contribution, accounting for 55.7% of Rental revenue in 2Q 2024. The Western and Central regions also contributed substantially. This geographic spread points to Lumi's strong presence in key economic and tourist hubs and its commitment to ensuring service accessibility and quality across the nation, including in the Eastern and Southern regions.

Costs Overview

SAR Mn	1H 2024	1H 2023	YoY, %	2Q 2024	2Q 2023	YoY, %
Cost of vehicles sold	237	111	+2.1x	108	44	+2.5x
Vehicle depreciation	163	127	+29%	85	66	+29%
Salaries & other benefits	41	24	+69%	21	13	+61%
Repairs & maintenance	25	14	+83%	14	6	+2.3x
Insurance	25	18	+40%	12	9	+33%
Other	46	34	+36%	24	17	+46%
Total Cost of revenues	536	327	+64%	265	155	+71%
G&A expenses	70	42	+68%	37	18	+2.1x
Impairments, trade & other rec.	1	11	-89%	0	4	-100%
Employee incentive	4	0	NA	2	0	NA
Other operating income	(28)	(10)	+2.7x	(27)	(10)	+2.6x
Total Operating expenses	48	42	+13%	12	11	+4%
Total Expenses	584	370	+58%	277	167	+66%

In 2Q 2024, Lumi's cost of revenues grew by 71% year-on-year, reflecting the company's active fleet expansion and increased operational activities. The 2.5x year-on-year rise in the cost of vehicles sold during the quarter highlights the effective monetization of the used car segment and efficient fleet lifecycle management. Key operational costs, such as repairs and maintenance, saw marked increases. Salaries and benefits also rose due to the expansion in operating employee numbers, reflecting Lumi's focus on fleet quality and top customer service, essential for retaining a competitive edge in the industry.

Operating expenses in 2Q 2024 increased by a modest 4% year-on-year, driven by a 2.1x rise in General and Administrative (G&A) expenses, reflecting the scaling of administrative functions to support growing operations. This increase was partially offset by a 2.6x rise in other operating income, primarily from a discretionary cash rebate from a vehicle vendor. Additionally, Lumi introduced an employee incentive

scheme, a one-off IPO incentive paid by Seera Holding Company, which is charged to the profit and loss statement and offset in the balance sheet as other reserve.

Overall, Lumi's total expenses for 2Q 2024 amounted to SAR 277 million, up 66% from the previous year. This increase is directly tied to investments in fleet expansion, service quality improvement, and scaling operations to meet growing demand.

Balance Sheet Highlights

SAR Mn	2Q 2024	4Q 2023	YtD, %
<i>Vehicles</i>	<i>2,795</i>	<i>2,712</i>	<i>+3%</i>
<i>Other non-current assets</i>	<i>120</i>	<i>146</i>	<i>-18%</i>
Total Non-Current Assets	2,915	2,858	+2%
<i>Trade receivables</i>	<i>312</i>	<i>242</i>	<i>+29%</i>
<i>Other current assets</i>	<i>116</i>	<i>146</i>	<i>-21%</i>
Total Current Assets	428	389	+10%
Total Assets	3,343	3,246	+3%
Total Non-Current Liabilities	1,345	1,006	+34%
<i>Trade payables</i>	<i>223</i>	<i>726</i>	<i>-69%</i>
<i>Other current liabilities</i>	<i>655</i>	<i>489</i>	<i>+34%</i>
Total Current Liabilities	878	1,215	-28%
Total Liabilities	2,223	2,221	+0%
<i>Share capital</i>	<i>550</i>	<i>550</i>	<i>+0%</i>
<i>Retained earnings</i>	<i>516</i>	<i>426</i>	<i>+21%</i>
Total Equity	1,120	1,025	+9%
Total Debt ⁹	1,850	1,346	+37%
Cash & cash equivalents	27	41	-35%
Net Debt ¹⁰ to Equity	1.6x	1.3x	+0.3x
Net Debt ¹⁰ / EBITDA	3.2x	2.6x	+0.6x
Net Debt ¹⁰ / Adjusted ¹¹ EBITDA	1.9x	1.7x	+0.2x

As of June 30, 2024, Lumi's total assets grew to SAR 3,343 million, a 3% increase from the end of 2023. This growth was largely driven by a 3% rise in vehicle value, reaching SAR 2,795 million. Additionally, a 29% increase in trade receivables from the start of the year reflected higher revenue volumes in 1H 2024.

Liabilities remained stable at SAR 2,223 million as of June 30, 2024. The company's total debt increased to SAR 1,850 million, driven by new debt taken on to expand the vehicle fleet. This expansion in debt was counterbalanced by a 69% year-to-date decrease in trade payables, primarily due to reduced vehicle procurement in the first six months of 2024.

The leverage, measured by the Net debt to Equity ratio, intensified to 1.6x by the end of 2Q 2024, up by 0.3x from the end of 2023. Furthermore, the Net debt¹⁰ / Adjusted¹¹ EBITDA ratio moved from 1.7x at the end of 2023 to 1.9 by the end of 2Q 2024. Cash and cash equivalents stood at SAR 27 million, experiencing a 35% decline year-to-date.

⁹ Total Debt = Long-term loans + Current portion of long-term loans

¹⁰ Net Debt = Long-term loans + Current portion of long-term loans - Cash and cash equivalents

¹¹ Adjusted EBITDA = EBITDA + Cost of vehicles sold

Cash Flow Highlights

SAR Mn	1H 2024	1H 2023	YoY, %	2Q 2024	2Q 2023	YoY, %
Profit after Zakat	91	100	-9%	46	50	-7%
Non-cash adjustments	498	297	+68%	245	140	+75%
Working capital changes	(559)	(141)	+4.0x	(347)	(57)	+6.1x
Cash flow, operating activities	30	256	-88%	(56)	132	NA
Investments in vehicles, net	(449)	(569)	-21%	(115)	(278)	-59%
Zakat, interest & end-of-service benefits	(67)	(31)	+2.2x	(38)	(19)	+97%
Net cash, operating activities	(486)	(343)	+42%	(210)	(165)	+28%
Net cash, investing activities	(8)	(6)	+29%	(6)	10	NA
Net cash, financing activities	479	342	+40%	203	164	+24%
Net changes in cash & equivalents	(15)	(7)	+2.1x	(12)	9	NA

In 1H 2024, Lumi experienced pressure on its cash flow from operating activities, which totaled SAR 30 million, marking an 88% decrease from 1H 2023. This decline was primarily attributed to higher working capital needs in both 1Q and 2Q 2024. Following substantial investments in vehicle acquisitions in 1Q 2024, the 2Q 2024 investments amounted to SAR 115 million, bringing the total investments in vehicles in 1H 2024 to SAR 449 million. However, this investment pace was slower compared to 1H 2023.

Net cash used in investing activities during 1H 2024 was SAR 8 million, primarily allocated to non-vehicle capital expenditures.

Additionally, net cash inflow from financing activities saw a 40% increase year-on-year to SAR 479 million in 1H 2024. This increase was driven by higher proceeds from new loans and borrowings, reflecting continued vehicle procurement efforts to support operational growth.

Amid these substantial reinvestment and expansion activities, Lumi's cash and cash equivalents decreased by SAR 15 million, closing 2Q 2024 at SAR 27 million. The company is focused on investing in growth while maintaining a sound liquidity position.

Earnings Release



Earnings Call

The company is holding an earnings call to discuss 2Q 2024 financial results with analysts and investors on Tuesday, 6 August 2024, at 3:00 pm Riyadh time (1:00 pm London, 4:00 pm Dubai, 8:00 am New York).

Webcast link: [Lumi Rental Company 2Q 2024 webcast](#)

For any further questions or queries, please reach out to Investor Relations.

Institutional Investor Contact

Lumi Rental Company Investor Relations
investors@lumirental.com

Corporate Headquarters Address

Lumi Rental Company
Imam Saud bin Abdulaziz bin Muhammad Street, AlTaawun District
P.O. Box 6477
Riyadh 12476
Kingdom of Saudi Arabia

About Lumi Rental Company

Lumi Rental Company (Lumi, Tadawul: 4262) is a leading rental and lease provider based in Riyadh, Kingdom of Saudi Arabia. The company's model is distinguished by a powerful operational infrastructure and a scalable asset base, enabling it to serve a broad spectrum of customer needs across both B2C and B2B segments. Lumi's differentiator in the market lies in its extensive fleet of diverse vehicle types and its innovative approach to customer service, underscored by a substantial investment in digital channels. The company's total fleet size amounted to 33.3 thousand vehicles as of the end of 2023. Lumi posted revenue of SAR 1,106 million in 2023 (+41% year-on-year), an EBITDA of SAR 503 million (45.5% margin), and a net profit of SAR 161 million (14.5% margin).

Disclaimer

All information included in this document is for general use only and has not been independently verified, nor does it constitute or form part of any invitation or inducement to engage in any investment activity, nor does it constitute an offer or invitation or recommendation to buy or subscribe for any securities in the Kingdom of Saudi Arabia, or an offer or invitation or recommendation in respect of buying, holding or selling any securities of Lumi Rental Company.

Lumi Rental Company does not warranty, express or implied, is made, and no reliance should be placed by any person or any legal entity for any purpose on the information and opinions contained in this document, or its fairness, accuracy, completeness or correctness.

This document may include statements that are, or may be deemed to be, "forward-looking statements" with respect to the Company's financial position, results of operations and business. Information on the Company's plans, intentions, expectations, assumptions, goals and beliefs are for general update only and do not constitute or form part of any invitation or inducement to engage in any investment activity, nor does it constitute an offer or invitation or recommendation to buy or subscribe for any securities in any jurisdiction, or an offer or invitation or recommendation in respect of buying, holding or selling any securities of Lumi Rental Company.