

Lumi Rental Reports SAR 40 Million Net Profit on 38% Revenue Growth in 3Q 2024

- Lumi's total revenue in 3Q 2024 surged by 38% year-on-year, driven by robust growth across all business segments.
- Active fleet expansion led to a 21% increase in total fleet size, reaching 33.5 thousand vehicles by the end of 3Q 2024, enhancing Lumi's market presence.
- Rental segment utilization rates improved by 15.1 percentage points year-on-year to 80.9% in 3Q 2024, supported by more effective fleet management and targeted marketing strategies.
- Geographical revenue distribution highlights Lumi's extensive operational reach, with the Northern region contributing 52.2% to Rental revenue in 3Q 2024.
- Fleet age management in both the Lease and Rental segments helped maintain vehicles at high standards, meeting client expectations.
- The Used Car Sales segment saw a 37% increase in vehicles sold year-on-year in 3Q 2024, with a 70.7% purchase price recovery, demonstrating the effectiveness of Lumi's vehicle disposal strategy.
- Total expenses in 3Q 2024 rose by 37% year-on-year, primarily due to the higher cost of vehicles sold.
- Adjusted¹ EBITDA for 3Q 2024 reached SAR 308 million, a 51% increase year-on-year, with a strong Adjusted¹ EBITDA margin of 76.5%, reflecting operational effectiveness despite rising costs.
- Net profit for 3Q 2024 amounted to SAR 40 million, marking a 15% increase year-on-year.
- Strategic investments in vehicles totaled SAR 639 million in 9M 2024, primarily financed through debt, aligning with Lumi's fleet expansion initiatives and efforts to capture a larger market share.

Riyadh, 4 November 2024 – In 3Q 2024, Lumi Rental Company continued its growth momentum, delivering strong financial results and solidifying its position in the mobility sector. The company expanded its fleet by 21% year-on-year to 33.5 thousand vehicles, which contributed to further reducing the average age of the fleet across both the Rental and Lease segments. This fleet expansion aligns with Lumi's ongoing strategy to scale operations and enhance service quality. The vehicle utilization rate in the Rental segment reached 80.9% during 3Q 2024, increasing 15.1 percentage points compared to 3Q 2023.

Total revenue for the quarter grew by 38% year-on-year to SAR 403 million, driven by robust demand across Lumi's diverse service offerings. The Lease segment was the primary contributor to this growth, posting a 42% year-on-year increase in revenue, followed by the Used Car Sales and Rental segments, which saw growth of 44% and 22%, respectively. This revenue performance supported an Adjusted¹ EBITDA of SAR 308 million, a 51% increase compared to 3Q 2023, with an improved margin of 76.5% (+6.6 percentage points year-on-year).

Net profit for 3Q 2024 rose to SAR 40 million, a 15% year-on-year increase, with a net profit margin of 10.0%.

¹ Adjusted EBITDA = EBITDA + Cost of vehicles sold

Operational and Financial Review²

Operating Indicators Highlights

	9M 2024	9M 2023	YoY, %	3Q 2024	3Q 2023	YoY, %
Total fleet, th vehicles ³	33.5	27.7	+21%	33.5	27.7	+21%
Rental Segment						
Fleet, th vehicles ³	10.9	9.4	+16%	10.9	9.4	+16%
Utilization, %	78.9%	63.2%	+15.7 ppts	80.9%	65.8%	+15.1 ppts
Average fleet age, years	1.1	1.3	-13%	1.1	1.5	-27%
Rental rate per vehicle ⁴ , SAR th	39.2	40.3	-3%	42.0	38.9	+8%
Lease Segment						
Fleet, th vehicles ³	22.6	18.4	+23%	22.6	18.4	+23%
Average fleet age, years	1.8	1.8	-1%	1.8	2.1	-13%
Lease rate per vehicle ⁴ , SAR th	24.9	22.6	+10%	25.6	23.6	+8%
Used Car Sales Segment						
Sold vehicles, th units ⁵	6.1	4.1	+50%	2.4	1.7	+37%
Purchase price recovery, %	70.8%	73.0%	-2.2 ppts	70.7%	74.0%	-3.4 ppts
Sale price per vehicle, SAR th ⁶	64.6	61.6	+5%	58.5	55.3	+6%

In 3Q 2024, Lumi Rental Company achieved notable growth across all its operational segments, supported by strategic fleet expansion, enhanced customer service efforts, and a focus on digital transformation.

Total fleet grew by 21% year-on-year, reaching 33.5 thousand vehicles compared to 27.7 thousand in 3Q 2023. This expansion is the result of a targeted fleet growth strategy designed to meet rising demand for mobility solutions throughout Saudi Arabia. Key factors contributing to this success include a diverse vehicle offering tailored to different customer segments, investments in digital platforms to enhance the rental experience, and a strategic focus on supporting the tourism sector, in line with Vision 2030.

The Rental segment's fleet increased from 9.4 thousand to 10.9 thousand vehicles, reflecting a 16% year-on-year rise in 3Q 2024, with a modest 1% growth compared to 2Q 2024. Utilization rates saw a substantial improvement, climbing by 15.1 percentage points year-on-year to 80.9%, and by 3.6 percentage points from the previous quarter, largely driven by higher demand from B2B clients. Despite the significant fleet expansion at the end of 2023, the average rental rate per vehicle rose by 8% year-on-year to SAR 42.0 thousand in 3Q 2024, as newly added vehicles continued to operate at full capacity. However, for the first nine months of 2024, the average rental rate declined by 3% year-on-year to SAR 39.2 thousand, primarily due to a shift in the client mix, with faster growth in the B2B segment, which typically carries lower rental rates compared to B2C.

In the Lease segment, the fleet grew by 23% year-on-year, from 18.4 thousand to 22.6 thousand vehicles in 3Q 2024, with no significant changes compared to 2Q 2024. The segment benefited from strict fleet age management, reducing the average fleet age by 13% year-on-year to 1.8 years in 3Q 2024. The lease rate per vehicle increased by 8% year-on-year to SAR 25.6 thousand in 3Q 2024, driven by completed deliveries to key clients, which supported a 10% increase in the 9M 2024 average lease rate to SAR 24.9 thousand.

Lumi's Used Car Sales (UCS) segment also saw strong performance, with a 37% year-on-year increase in vehicles sold in 3Q 2024, and a 50% rise over the first nine months of the year, with 6.1 thousand units

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

sold following the fleet renewal cycle. The company's effective vehicle disposal strategy resulted in a 70.7% purchase price recovery rate in 3Q 2024. The average vehicle sale price increased by 6% year-on-year to SAR 58.5 thousand, supported by fleet mix adjustments and strategic sales initiatives compared to previous year. However, the average sale price fell by 22% in 3Q 2024 compared to the peak of SAR 74.6 thousand in 2Q 2024, which had benefited from higher sales of SUVs and luxury vehicles. Nonetheless, the 70%+ purchase price recovery rate and an average vehicle age of 31 months reflect the strength of Lumi's de-fleeting strategy and the robustness of the UCS market.

Overall, Lumi's strategic focus on fleet expansion, effective fleet management, and ability to capitalize on market demand contributed to its strong operational results in 3Q 2024.

Income Statement Highlights

SAR Mn	9M 2024	9M 2023	YoY, %	3Q 2024	3Q 2023	YoY, %
Revenue	1,148	791	+45%	403	291	+38%
<i>Lease</i>	405	274	+48%	145	102	+42%
<i>Rental</i>	343	267	+29%	114	94	+22%
<i>Used Car Sales</i>	394	251	+57%	139	96	+44%
<i>Other</i>	5	-	-	5	-	-
Cost of revenue	(823)	(524)	+57%	(287)	(196)	+46%
Gross profit	325	268	+21%	116	95	+22%
Operating expenses	(88)	(84)	+4%	(40)	(42)	-5%
EBIT	237	183	+29%	76	53	+44%
EBITDA	519	400	+30%	174	128	+36%
Adjusted ⁷ EBITDA	890	587	+52%	308	204	+51%
Total finance cost	(102)	(44)	+2.4x	(35)	(16)	+2.2x
Profit before zakat	135	140	-4%	41	37	+13%
Zakat expense	(4)	(5)	-18%	(1)	(2)	-31%
Net profit	131	135	-3%	40	35	+15%
Gross Profit Margin	28.3%	33.8%	-5.5 pts	28.8%	32.6%	-3.7 pts
EBIT Margin	20.7%	23.2%	-2.5 pts	19.0%	18.2%	+0.8 pts
EBITDA Margin	45.2%	50.5%	-5.2 pts	43.2%	43.9%	-0.7 pts
Adj. ⁷ EBITDA Margin	77.5%	74.1%	+3.4 pts	76.5%	69.9%	+6.6 pts
Net profit Margin	11.4%	17.1%	-5.7 pts	10.0%	12.0%	-2.0 pts

In 3Q 2024, Lumi achieved total revenue of SAR 403 million, reflecting a 38% increase from SAR 291 million in 3Q 2023. This strong performance was driven by significant growth across all business segments. The healthy results in 3Q 2024 also supported the company's revenue for the first nine months of the year, which crossed the billion mark and reached SAR 1,148 million, a 45% year-on-year increase.

Revenue from the Lease segment surged by 42% year-on-year to SAR 145 million in 3Q 2024. The Rental segment grew by 22%, contributing SAR 114 million, while the Used Car Sales segment saw a 44% year-on-year increase, reaching SAR 139 million, supported by strategic fleet management and favorable market conditions.

The company's cost of revenue rose to SAR 287 million in 3Q 2024, up 46% year-on-year, largely due to higher costs associated with vehicle sales. This increase put pressure on the gross profit margin, which declined by 3.7 percentage points year-on-year to 28.8%. Despite this, gross profit still grew by 22% year-on-year, reaching SAR 116 million in 3Q 2024. For the first nine months of 2024, gross profit expanded by 21% year-on-year to SAR 325 million.

⁷ Adjusted EBITDA = EBITDA + Cost of vehicles sold

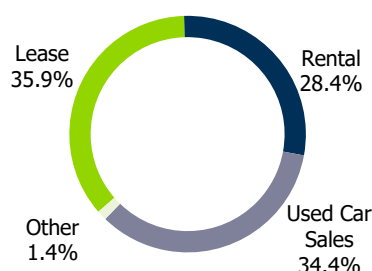
Operating expenses for the quarter decreased by 5% year-on-year to SAR 40 million, due to lower costs associated with the employee incentive program, offsetting higher general and administrative expenses. However, operating costs for 9M 2024 rose by 4% year-on-year to SAR 88 million, driven by continued investments in personnel, technology, and infrastructure, particularly during the first half of the year.

EBITDA for 3Q 2024 reached SAR 174 million, a robust 36% increase compared to the same period last year, reflecting Lumi's operational strength. However, the EBITDA margin declined slightly by 0.7 percentage point to 43.2%, due to rising expenses. Adjusted EBITDA (which includes the cost of vehicles sold) totaled SAR 308 million, marking a 51% year-on-year increase, with the Adjusted EBITDA margin improving by 6.6 percentage points to 76.5%. For 9M 2024, both EBITDA and Adjusted EBITDA followed a similar upward trend year-on-year.

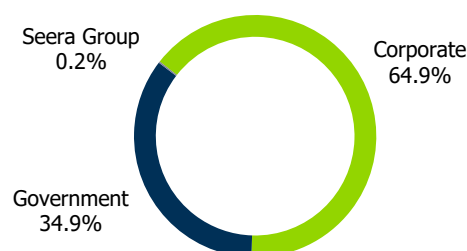
Finance costs for the quarter increased by 2.2 times to SAR 35 million, driven by higher borrowing levels and rising interest rates. Net profit for 3Q 2024 rose by 15% year-on-year to SAR 40 million, contributing to a net profit of SAR 131 million for 9M 2024, a slight 3% year-on-year decline due to the pressures experienced in the first half of the year. Despite the single-digit decline in the net profit for 9M 2024, these results reflect Lumi's solid market position and its ability to deliver profitable growth, even while navigating higher finance costs and strategic investments.

Revenue Overview

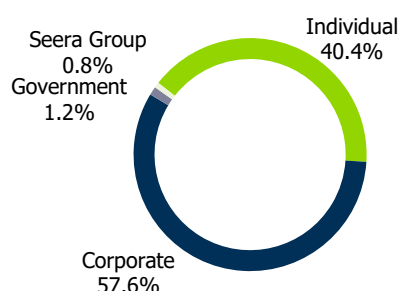
Total Revenue by segment, 3Q 2024



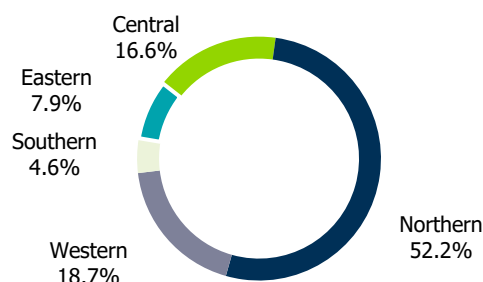
Lease Revenue by customer, 3Q 2024



Rental Revenue by customer, 3Q 2024



Rental Revenue by KSA region, 3Q 2024



In 3Q 2024, Lumi achieved total revenue of SAR 403 million, reflecting a balanced contribution from its key operational segments and demonstrating the success of the company's strategic positioning and broad market appeal.

The Lease segment contributed 35.9% of total revenue, primarily driven by a strong corporate client base, which accounted for 64.9% of lease revenue. This underscores Lumi's solid relationships within the corporate sector, a crucial driver of sustained growth in this segment. The Lease segment's contribution to overall revenue increased in 3Q 2024 (35.9%) and 2Q 2024 (37.1%) compared to 1Q

2024 (32.9%), fueled by an expanded client base and additional revenue from contracts secured last year in both the government and corporate sectors.

The Rental segment accounted for 28.4% of total revenue, reflecting Lumi's ability to attract a diverse customer base. This marks a decrease from 31.5% in 2Q 2024, driven by stronger growth in the Lease and UCS segments. Corporate clients contributed 57.6% of rental revenue, down from 61.9% in 2Q 2024, due to an increase in B2C business, particularly in the Central and Southern regions, where Lumi has enhanced its market share. This was reflected in individual customers representing 40.4% of rental revenue in 3Q 2024. The balance between corporate and individual clients highlights Lumi's versatility in serving both personal and business mobility needs, reinforcing its presence across various customer segments.

The Used Car Sales segment accounted for 34.4% of total revenue, reflecting Lumi's effective fleet management strategy and its ability to maximize vehicle value at the end of their lifecycle. The performance of this segment demonstrates Lumi's capability to extract strong returns from its fleet investments and efficiently manage asset turnover.

From a geographical perspective, Lumi's revenue distribution highlights its extensive operational reach throughout Saudi Arabia. The Northern region made a notable contribution, accounting for 52.2% of Rental segment revenue in 3Q 2024. The Western and Central regions also contributed significantly, underscoring Lumi's strong presence in key economic and tourism hubs. The company's geographic spread across the Kingdom, including in the Eastern and Southern regions, reflects its commitment to providing accessible and high-quality services throughout the nation.

Costs Overview

SAR Mn	9M 2024	9M 2023	YoY, %	3Q 2024	3Q 2023	YoY, %
Cost of vehicles sold	371	187	+98%	134	76	+77%
Vehicle depreciation	249	194	+28%	86	67	+28%
Salaries & other benefits	64	38	+68%	23	14	+66%
Repairs & maintenance	36	25	+46%	11	11	+2%
Insurance	37	28	+34%	13	10	+24%
Other	65	52	+26%	19	18	+7%
Total Cost of revenues	823	524	+57%	287	196	+46%
G&A expenses	109	66	+65%	38	24	+61%
Impairments, trade & other rec.	2	14	-85%	1	3	-70%
Employee incentive	5	15	-67%	1	15	-95%
Other operating income	(28)	(10)	+2.7x	(0)	(0)	+31%
Total Operating expenses	88	84	+4%	40	42	-5%
Total Expenses	911	608	+50%	327	238	+37%

In 3Q 2024, Lumi's cost of revenues increased by 46% year-on-year, reflecting the company's active fleet expansion, and increased operational activities. The 77% year-on-year rise in the cost of vehicles sold during the quarter highlights the successful monetization of the used car segment and efficient fleet lifecycle management. Key operational costs, such as salaries and benefits, rose due to the expansion in operating employee numbers, reinforcing Lumi's commitment to maintaining fleet quality and delivering top-tier customer service, which are essential for sustaining a competitive edge in the industry. Additionally, insurance and repair and maintenance costs also grew for similar reasons.

Operating expenses in 3Q 2024 decreased by 5% year-on-year, driven by a reduction in expenses related to an employee incentive scheme (a one-off IPO incentive paid by Seera Holding Company, which was charged to the profit and loss statement but offset in the balance sheet as other reserves) and lower provisions for receivables impairment. Meanwhile, General and Administrative (G&A)

expenses increased, driven by the scaling of administrative functions to support Lumi's expanding operations and fleet growth.

Overall, Lumi's total expenses for 3Q 2024 amounted to SAR 327 million, up 37% year-on-year. This increase is directly linked to the company's investments in fleet expansion, service quality improvements, and scaling operations to meet rising demand. Despite the rise in costs, it was marginally below the pace of revenue growth for the quarter (+38% in 3Q 2024), resulting in positive operating leverage. Consequently, operating profit grew by 44% year-on-year in 3Q 2024, with a slight improvement in the EBIT margin, reaching 19.0% for the quarter.

Balance Sheet Highlights

SAR Mn	3Q 2024	4Q 2023	YtD, %
<i>Vehicles</i>	2,771	2,712	+2%
<i>Other non-current assets</i>	137	146	-6%
Total Non-Current Assets	2,908	2,858	+2%
<i>Trade receivables</i>	317	242	+31%
<i>Other current assets</i>	104	146	-29%
Total Current Assets	421	389	+8%
Total Assets	3,328	3,246	+3%
Total Non-Current Liabilities	1,193	1,006	+19%
<i>Trade payables</i>	299	726	-59%
<i>Other current liabilities</i>	675	489	+38%
Total Current Liabilities	974	1,215	-20%
Total Liabilities	2,167	2,221	-2%
<i>Share capital</i>	550	550	+0%
<i>Retained earnings</i>	556	426	+31%
Total Equity	1,161	1,025	+13%
Total Debt ⁸	1,708	1,346	+27%
Cash & cash equivalents	60	41	+45%
Net Debt ⁹ to Equity	1.4x	1.3x	+0.1x
Net Debt ⁹ / EBITDA	2.6x	2.6x	-
Net Debt ⁹ / Adjusted ¹⁰ EBITDA	1.5x	1.7x	-0.2x

As of September 30, 2024, Lumi's total assets reached SAR 3,328 million, representing a 3% increase from the end of 2023. This growth was primarily driven by a 2% rise in vehicle value, which totaled SAR 2,771 million. Additionally, trade receivables saw a 31% increase from the beginning of the year, reflecting the higher revenue volumes recorded in 9M 2024.

⁸ Total Debt = Long-term loans + Current portion of long-term loans

⁹ Net Debt = Long-term loans + Current portion of long-term loans - Cash and cash equivalents

¹⁰ Adjusted EBITDA = EBITDA + Cost of vehicles sold

Liabilities decreased to SAR 2,167 million as of September 30, 2024, down 2% year-to-date. The company's total debt grew to SAR 1,708 million, due to new borrowings taken on to expand the vehicle fleet. However, this increase in debt was offset by a 59% year-to-date reduction in trade payables, resulting from lower vehicle procurement during the first nine months of 2024.

Lumi's leverage, measured by the Net Debt⁹ to Equity ratio, increased slightly to 1.4x by the end of 3Q 2024, up from 1.3x at the end of 2023. Meanwhile, the Net Debt⁹ / Adjusted¹⁰ EBITDA ratio improved, decreasing from 1.7x at the end of 2023 to 1.5x by the end of 3Q 2024, reflecting stronger Adjusted¹⁰ EBITDA growth relative to Net Debt⁹. Cash and cash equivalents rose by 45% year-to-date, reaching SAR 60 million.

Cash Flow Highlights

SAR Mn	9M 2024	9M 2023	YoY, %	3Q 2024	3Q 2023	YoY, %
Profit after Zakat	131	135	-3%	40	35	+15%
Non-cash adjustments	765	485	+58%	267	189	+41%
Working capital changes	(444)	(5)	+89.8x	115	136	-15%
Cash flow, operating activities	452	615	-27%	422	359	+17%
Investments in vehicles, net	(639)	(943)	-32%	(190)	(374)	-49%
Zakat, interest & end-of-service benefits	(104)	(47)	+2.2x	(37)	(16)	+2.3x
Net cash, operating activities	(290)	(374)	-22%	196	(31)	NA
Net cash, investing activities	(23)	(53)	-57%	(15)	(47)	-69%
Net cash, financing activities	332	453	-27%	(148)	111	NA
Net changes in cash & equivalents	19	26	-29%	33	33	-

In 9M 2024, Lumi experienced pressure on its cash flow from operating activities, which totaled SAR 452 million, marking a 27% decrease compared to 9M 2023. This decline was due to higher working capital requirements in 1Q and 2Q 2024, which were not fully offset by working capital optimization efforts in 3Q 2024.

After substantial investments in vehicle acquisitions in 2023 and 1Q 2024, there was a slowdown in vehicle investments during 2Q and 3Q 2024. Total investments in vehicles for 9M 2024 amounted to SAR 639 million, reflecting a 32% decrease compared to 9M 2023.

Net cash used in investing activities during 9M 2024 was SAR 23 million, primarily allocated to non-vehicle capital expenditures.

Additionally, net cash inflow from financing activities decreased by 27% year-on-year to SAR 332 million in 9M 2024. This decrease was driven by a net loan and borrowing repayments, reflecting efforts to normalize leverage following previous vehicle procurement activities.

Amid a mix of deleveraging and continued reinvestment, Lumi's cash and cash equivalents increased by SAR 19 million during the first nine months of 2024, closing 3Q 2024 at SAR 60 million. The company remains focused on investing in growth while maintaining a solid liquidity position.

Earnings Release



Earnings Call

The company is holding an earnings call to discuss 3Q 2024 financial results with analysts and investors on Tuesday, 5 November 2024, at 3:00 pm Riyadh time (12:00 pm London, 4:00 pm Dubai, 7:00 am New York).

Webcast link: [Lumi Rental Company 3Q 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

Investor Relations Website

<https://lumirental.com/en/company/IR>

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.