

**Company**

Leejam Sports Co.  
2Q25 Result Review

**Rating**

UR

**Bloomberg Ticker**

LEEJAM AB

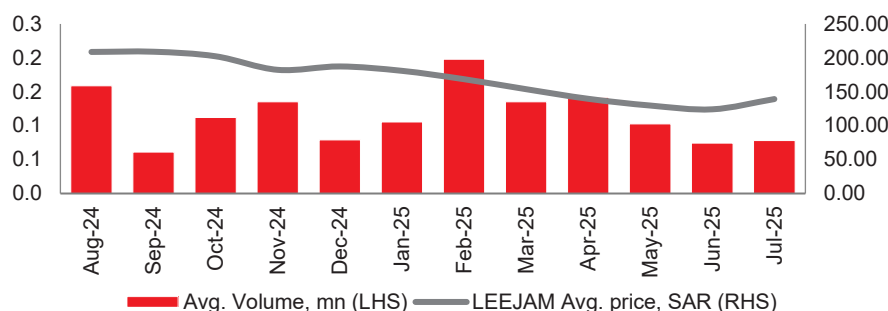
**Date**

31 July 2025

**Results**

Target Price SAR UR

Upside/ Downside ---

**Revenue rises in low-double digits YoY, matching our estimate**

Leejam's revenue in 2Q25 grew 11% YoY, matching our estimate. Subscriptions & membership segment's revenue grew 8% YoY on the back of an increase in fitness centers and members. PT segment's revenue, meanwhile, climbed 17% YoY.

**Net profit stagnant YoY, coming in line with our expectations**

A 17% YoY rise in direct costs, driven by the net addition of 28 new fitness centers since 2Q24, curtailed gross profit growth. Further, G&A and S&M expenses surged by 26% YoY, partly due to investment in talent acquisition and digital transformation, which hit the operating profit. However, reversal of a SAR 3mn impairment and SAR 3.7mn zakat provision helped offset lower profit on Murabaha and SAR 2mn loss on investment in an associate, thus limiting the decline in net profit (-1% YoY; in line).

**U Capital View**

We would like to revisit our investment case on Leejam upon the availability of detailed financials and hence place it Under Review (UR) for the time being. Separately, Leejam's BoD announced SAR 0.84 dividend per share for 2Q25 (our estimate: SAR 0.90).

Current Market Price (SAR)	142.20
52wk High / Low (SAR)	223.8/116
12m Average Vol. (000)	118.3
Mkt. Cap. (USD/SAR mn)	1,986/7,449
Shares Outstanding (mn)	52.4
Free Float (%)	47%
3m ADTV (SAR mn)	11.5
6m ADTV (SAR mn)	17.7
P/E'25e (x)	21.3
EV/EBITDA'25e (x)	11.5
Dividend Yield '25e (%)	3.0%
Price Perf. (1m/3m) (%)	9.7/1.6

**Research Department**

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For our  
last report

**Financial Statements**

SAR mn	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25e	YoY	QoQ	Var.	1H24	1H25	YoY
<b>P&amp;L</b>												
Revenue	339	406	412	369	376	380	11%	2%	-1%	680	744	9%
Gross profit	133	173	176	130	135	141	2%	4%	-4%	271	264	-3%
Operating profit	100	129	120	89	93	100	-7%	4%	-7%	198	183	-8%
Net profit	73	187	102	71	72	73	-1%	1%	-1%	167	143	-14%
<b>BS</b>												
Sh. Equity	1,136	1,256	1,233	1,238	1,267		12%	2%		1,136	1,267	12%
<b>Ratios</b>												
Gross margin	39.2%	42.7%	42.9%	35.2%	35.9%	37.1%				39.9%	35.5%	
Operating margin	29.6%	31.8%	29.0%	24.1%	24.7%	26.4%				29.1%	24.6%	
Net profit margin	21.5%	46.1%	24.9%	19.2%	19.1%	19.1%				24.6%	19.2%	
EPS, SAR	1.40	3.57	1.96	1.36	1.37	1.39				3.20	2.76	
RoE (TTM)					34.6%							
TTM P/E (x)					17.2							

Source: Financials, Tadawul, Bloomberg, U Capital Research



# Investment Research

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## Disclaimer

### Recommendation

BUY	ACCUMULATE	HOLD	REDUCE	SELL
Greater than 20%	Between +10% and +20%	Between +10% and -10%	Between -10% and -20%	Lower than -20%

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