Company

Leejam Sports Co.

3Q25 Result Review

Rating

Accumulate

Bloomberg Ticker

LEEJAM AB

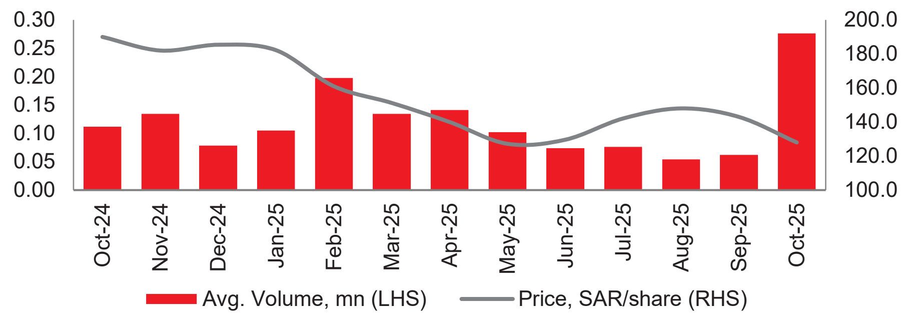
Date

30 October 2025

Results

Target Price SAR	152.0
Upside/ Downside	18.8%

Current Market Price (SAR)	128.0
52wk High / Low (SAR)	212.8/116.0
12m Average Vol. (mn)	0.1
Mkt. Cap. (USD/SAR mn)	1,788/6,705
Shares Outstanding (mn)	52.4
Free Float (%)	47.4%
3m ADTV (SAR mn)	14.6
6m ADTV (SAR mn)	13.2
P/E'26e (x)	17.6
EV/EBITDA'26e (x)	9.9
Dividend Yield '26e (%)	3.5%
Price Perf. (1m/3m) (%)	-9.3/-8.6



Revenue growth in 3Q25 comes in line with our expectations

Leejam's revenue rose 9% YoY in 3Q25, meeting our estimate. This was driven by a 9% YoY growth in both PT segment and subscriptions & membership segment revenue, led by an increase in the number of fitness centers and members.

Net profit declines sharply as costs rise at a faster pace

A 17% YoY rise in the cost of revenue, resulting from the net addition of 23 fitness centers in the last 12 months, and a 19% YoY increase in the G&A and S&M expenses caused by spendings on National Day campaign, human capital acquisition, and organizational development, dragged down operating profit. An absence of one-off gain in 3Q25 and a decrease in profit from short term Murabaha further weighed, leading to a 57% YoY decline in the net profit.

U Capital View

We expect Leejam's profitability to improve gradually next year onwards as the pace of new centers' addition reduces, and their utilization improves. Hence, we maintain our SAR 152.0 target price on the stock and an Accumulate rating, considering upside from current levels.

Research Department

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For our last report click HERE

Financial Summary

SAR mn	3Q24	4Q24	1Q25	2Q25	3Q25	3Q25e	YoY	QoQ	Var.	9M24	9M25	YoY
P&L												
Revenue	401	416	369	376	439	433	9%	17%	1%	1,081	1,183	9%
Gross profit	172	179	130	135	170	178	-1%	26%	-4%	444	434	-2%
Operating profit	128	120	89	93	118	134	-8%	27%	-12%	326	300	-8%
Net profit	187	102	71	72	81	112	-57%	13%	-28%	354	224	-37%
BS												
Sh. Equity	1,256	1,233	1,238	1,267	1,304		4%	3%		1,256	1,304	4%
Ratios												
GPM	42.9%	43.0%	35.1%	35.8%	38.7%	41.1%				41.1%	36.7%	
OPM	31.9%	28.9%	24.2%	24.8%	26.9%	30.9%				30.2%	25.4%	
NPM	46.7%	24.6%	19.2%	19.2%	18.5%	25.9%				32.7%	18.9%	
EPS, SAR	3.57	1.96	1.36	1.40	1.55	2.15				6.77	4.33	
RoE (TTM)					25.9%							
TTM P/E (x)					20.5							
Current P/B (x)					5.1							

Source: Financials, Tadawul, Bloomberg, U Capital 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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