

Company

Leejam Sports Co.
1Q26 Result Review

Rating

Under Review

Bloomberg Ticker

LEEJAM AB

Date

29 April 2026

Results

Target Price (SAR) Under Review

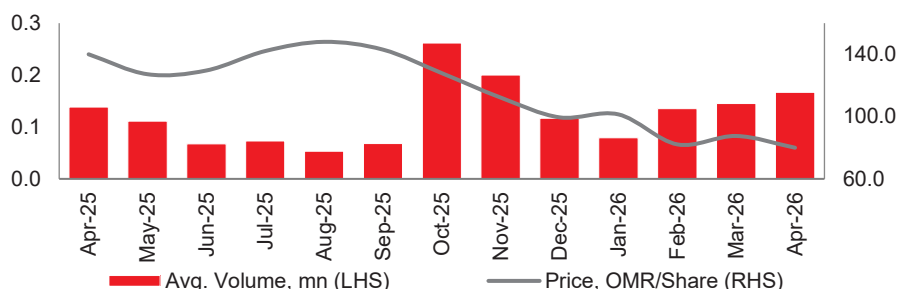
Total Return -

| | |
|----------------------------|-------------|
| Current Market Price (SAR) | 80.0 |
| 52wk High / Low (SAR) | 151.7/75.7 |
| 12m Average Vol. (m) | 123.5 |
| Mkt. Cap. (USD/SAR bn) | 1,117/4,191 |
| Shares Outstanding (mn) | 52.4 |
| Free Float (%) | 47.4% |
| 3M ADTV (SAR mn) | 12.4 |
| 6M ADTV (SAR mn) | 16.6 |
| P/E'26e (x) | 13.4 |
| P/B'26e (x) | 3.2 |
| Dividend Yield '26e (%) | 4.5% |
| Price Perf. (1m/3m) (%) | -9.6/-21.1 |

Research Department

Email: ubhar-research@u-capital.net

For our
last report

**Revenue remained flat YoY, in line with our expectations**

Leejam reported revenue of SAR 369mn in 1Q26, which remained flat YoY. Performance was impacted by an 8% YoY decline in LFL revenues due to full-quarter seasonality from Ramadan and Eid, as well as competitive pressures. This was offset by strong non-LFL growth of 111% YoY, driven by network expansion. Subscription revenue remained stable despite a 3% decline in members, supported by improved pricing and product mix, while personal training revenue declined 10% YoY.

Net profit fell YoY on cost pressures and the absence of one-offs

Net profit decreased 31% YoY to SAR 49mn, primarily due to the absence of a SAR 8.4mn impairment reversal recorded in 1Q25, alongside minor losses in 1Q26 related to lease terminations. Operationally, profitability was further pressured by a 5% YoY increase in cost of revenue, resulting in a 300 bps contraction in gross margin to 32%. Additionally, finance costs increased 26% YoY due to higher borrowing levels.

U-Capital view

Leejam Sports reported a notable decline in profitability, with earnings down 31% YoY and 38% QoQ, reflecting heightened competitive pressures and elevated costs associated with ramping up new fitness centers. We expect these headwinds to persist in the near term. Accordingly, we are placing the stock under review and will update our investment case shortly.

Financial Summary

| SAR mn | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 1Q26e | YoY | QoQ | Var. |
|-------------------------|-------|-------|-------|-------|-------|-------|------|------|------|
| P&L | | | | | | | | | |
| Revenue | 369 | 376 | 439 | 431 | 369 | 388 | 0% | -14% | -5% |
| Gross profit | 130 | 135 | 170 | 181 | 118 | 136 | -9% | -35% | -13% |
| Operating profit | 89 | 93 | 118 | 123 | 77 | 89 | -14% | -37% | -14% |
| Net profit | 71 | 73 | 82 | 79 | 49 | 58 | -31% | -38% | -16% |
| BS | | | | | | | | | |
| Shareholders' Equity | 1,243 | 1,275 | 1,307 | 1,203 | 1,154 | | -7% | -4% | |
| Ratios | | | | | | | | | |
| Gross profit margin | 35.1% | 35.8% | 38.7% | 42.1% | 32.0% | 35.0% | | | |
| Operating profit margin | 24.2% | 24.9% | 26.8% | 28.5% | 20.9% | 23.0% | | | |
| Net profit margin | 19.2% | 19.5% | 18.7% | 18.3% | 13.3% | 15.0% | | | |
| RoE (TTM) | | | | | 22.9% | | | | |
| P/E (TTM) | | | | | 14.8 | | | | |
| Current P/B | | | | | 3.6 | | | | |

Source: Financials, TASI, Bloomberg, U Capital Research

Investment Research

Ubhar-Research@u-capital.net

Head of Research

Tahir Abbas

+968 2494 9036 | tahir@u-capital.net

Research Team

Ahlam Al Harthi

+968 2494 9024 | ahlam.harthi@u-capital.net

Rao Aamir Ali

+968 2494 9066 | rao@u-capital.net

Sandesh Shetty

+968 2494 9059 | sandesh@u-capital.net

Amira Al Alawi

+968 2494 9012 | amira.alalawi@u-capital.net

Head of Brokerage

Talal Al Balushi

+968 2494 9051 | talal@u-capital.net

Visit us at

www.u-capital.net

Disclaimer

Recommendation

BUY

Greater than 10%

HOLD

Between
0% and +10%

SELL

Lower than 0%

Ubhar Capital SAOC (U Capital)

Website: www.u-capital.net

PO Box 1137, PC 111, Sultanate of Oman

Tel: +968 2494 9036 | **Fax:** +968 2494 9099 | **Email:** research@u-capital.net

Disclaimer: This report has been prepared by Ubhar Capital (U Capital) Research and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team's judgment as at the date of production of this report and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.