Company

Leejam Sports Company

2Q26 Result Review

Rating

Buy

Bloomberg Ticker

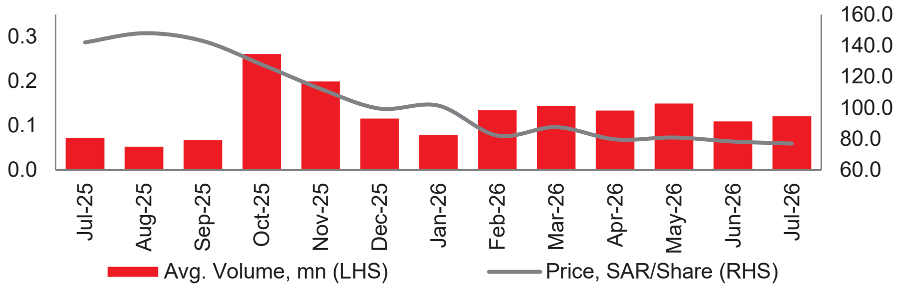
LEEJAM AB

Date

30 July 2026

Results

Target Price SAR	103.1
Total Return	38.6%



Current Market Price (SAR)	77.0
52-week High | Low	151.7 | 69.6
Price Perf. (1m | 3m)	-1.7% | -3.4%
Mkt. Cap. (USD/SAR mn)	1,089 | 4,034
Free Float	42.2%
3m ADTO (000 shares)	126.1
6m ADTO (000 shares)	137.1
3m ADTV (SAR 000)	10,177.8
6m ADTV (SAR 000)	11,289.4
P/E 27e	13.7x
P/B 27e	3.0x
DY 27e	4.7%

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Revenue increased 9% YoY, ahead of our estimates

The company reported 2Q26 revenue of SAR 411.0mn (9% YoY, 11% QoQ), exceeding our estimates. Growth was primarily driven by a 9% YoY increase in subscription and membership income, supported by an 8% rise in active members. Female center revenue rose 23% on the back of new openings.

Net profit declined 13% YoY, ahead of our estimates

Net profit declined 13% YoY to SAR 63.0mn in 2Q26, as a 17% increase in general and administrative expenses and a 32% rise in finance costs weighed on margins. Excluding one-off items, normalized net profit declined 6% YoY.

U-Capital view

Revenue growth remained resilient, increasing 9% YoY, while the bottom line declined 13% YoY due to higher operating expenses and finance costs. Looking ahead, growth in female memberships, the maturing expansion phase, and increasing rental income are expected to provide support over the medium term. The stock is currently trading at FY27e P/E of 13.7x, with a dividend yield of 4.7%. We maintain our Buy rating with a target price of SAR 103.1/share.

Financial Statements

SAR mn	2Q25	3Q25	4Q25	1Q26	2Q26	2Q26e	YoY	QoQ	Var.	1H25	1H26	YoY
P&L												
Revenue	376.0	438.7	431.1	369.0	411.0	380.7	9%	11%	8%	744.0	780.0	5%
Gross profit	135.0	169.7	181.3	118.0	141.0	126.2	4%	19%	12%	264.0	259.0	-2%
Operating profit	93.0	117.7	122.7	77.0	93.0	84.0	0%	21%	11%	183.0	170.0	-7%
Net Profit	72.0	82.1	78.8	49.0	63.0	54.7	-13%	29%	15%	143.0	112.0	-22%
BS												
Shareholders' Equity	1,267.0	1,303.6	1,200.1	1,151.8	1,121.0		-12%	-3%		1,267.0	1,121.0	-12%
Ratios												
Gross margin	35.9%	38.7%	42.1%	32.0%	34.3%	33.1%				35.5%	33.2%	
Operating margin	24.7%	26.8%	28.5%	20.9%	22.6%	22.1%				24.6%	21.8%	
Net profit margin	19.1%	18.7%	18.3%	13.3%	15.3%	14.4%				19.2%	14.4%	
TTM RoE (%)					24.0%							
TTM P/E (x)					14.2							
Current P/Bv					3.4							

Source: Financials, Tadawul, Bloomberg, U Capital Research

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Greater than 10%	Between 0% and +10%	Lower than 0%

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