2Q26 FIRST TAKE

Sport Clubs Co.

August 02, 2026

Net profit doubles on membership growth and margin gains, exceeding consensus estimates

Last Price: SAR 6.9 | YoY Performance: -32.6%

KEY TAKEAWAYS

- Sport Clubs posted 2Q26 net profit of SAR 13.8 mn, up 100.9% YoY and 213.4% QoQ. The result came above our SAR 6.6 mn estimate, up 108.8%, on a larger active member base and sharp gross margin surge.
- Revenue reported at SAR 106.4 mn, up 26.0% YoY and 23.5% QoQ. The topline exceeded our estimates by 18.4%. Men's clubs grew 35.5% to SAR 71.8 mn and ladies' clubs 38.7% to SAR 33.5 mn, lifting subscriptions 31.2% to SAR 89.5 mn and personal training, other health services and accessories 77.9% to SAR 15.8 mn. However, sports solutions fell 85.6% to SAR 1.0 mn on the absence of construction contracts during the quarter.
- Gross profit reached at SAR 34.0 mn in 2Q26, with margin at 31.9% in 2Q26 versus 26.3% in 2Q25 and 25.3% in 1Q26. The increase is mainly attributable to higher club utilisation and the ramp-up of converted clubs delivered operating leverage over a largely fixed cost base.
- Operating profit increased to SAR 22.5 mn in 2Q26, with the operating margin improving to 21.2% from 18.2% in 2Q25, despite a 67.8% YoY increase in operating expenses driven by higher G&A expense, rebranding-related marketing, and network expansion. EBITDA also rose 27.6% YoY to SAR 43.0 mn.
- Net profit rose 100.9% YoY to SAR 13.8 mn (EPS: SAR 0.12), supported by higher other income and the absence of SAR 0.4 mn in one-off listing-related expenses recorded in 2Q25, partly offset by higher finance costs. Net margin improved to 13.0% in 2Q26 from 8.1% in 2Q25.
- Based on our last update, we have a 'Neutral' rating on the stock with a target price of SAR 8.1/share.

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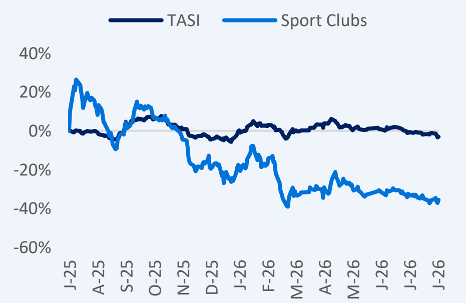
Issuer Information

Bloomberg Code	**SPORTCLU AB**
Last Price (SAR)	**6.9**
No. of Shares (mn)	**114.4**
Market Cap bn (SAR/USD)	**0.8 / 0.2**
52-week High / Low (SAR)	**13.5 / 6.3**
12-month ADTV (mn) (SAR/USD)	**14.6 / 3.9**
Free Float (%)	**90.1**
Foreign Holdings (%)	**4.6**

Last price as of July 30th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	2Q26A	2Q26E*	Var (%)	2Q25A	YoY (%)	1Q26A	QoQ (%)
Revenue	106	90	18.4	84	26.0	86	23.5
Cost of Revenues (COGS)	72	67	8.3	62	16.4	64	12.6
Gross Profit	34	23	47.8	22	53.0	22	55.7
Gross Margin (%)	***31.9***	***25.6***		***26.3***		***25.3***	
Operating Expenses	11	8	35.4	7	67.8	10	13.0
Operating Profit	23	15	55.0	15	46.4	12	92.5
Operating Margin (%)	***21.2***	***16.2***		***18.2***		***13.6***	
Net Income	14	7	108.8	7	100.9	4	213.4
Net Margin (%)	***13.0***	***7.4***		***8.1***		***5.1***	
EPS (SAR)	0.12	0.06		0.06		0.04	

Source: Company Financials, anbc research

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