

Armah Sports Co.

July 30, 2026

Membership growth and club maturation drive double-digit revenue growth and margin expansion.

Last Price: SAR 55.7 | YoY Performance: -20.0%

KEY TAKEAWAYS

- Armah reported 1H26 revenue of SAR 113.7 mn, up 11.1% YoY but 2.8% below our SAR 117 mn forecast. Growth was driven by a 10% increase in subscription and membership revenue on membership additions, continued maturation of existing clubs and higher average revenue per member, while personal training revenue advanced a stronger 21%. Armah reported 2Q26 revenue of SAR 60 mn, increased 17% YoY.
- Gross profit climbed 13.3% YoY to SAR 54.0 mn, in line with our estimate. Gross margin widened to 47.5% from 46.5% in 1H25 and came 120 bps ahead of our 46.3% projection – a solid outcome given cost of revenue rose 9% on the two newly opened clubs, which carry fixed costs before reaching full membership levels.
- Operating profit rose 12.3% YoY to SAR 32.9 mn, 5.5% above our SAR 31 mn estimate, with margin edging up to 28.9% from 28.6%, as gross profit gains outpaced a 14.9% increase in operating expenses to SAR 21 mn on a wider club base.
- Net profit came in at SAR 24.3 mn, 27.2% ahead of our SAR 19 mn estimate (beat coming from finance costs coming in lower than our forecast) though it still fell 11.5% YoY, a decline which can be explained by a high base effect as 1H25 included a one off SAR 9.5 mn gain of a sub lease transaction. Excluding this one off, net profit would be SAR 18 mn in 1H25 and the YoY change would be a positive +35%. Armah reported 2Q26 net profit of SAR 12.6 mn, increased 48% YoY
- Armah currently has a network of 12 clubs under its Optimo and B-Fit brands. Last quarter, management announced its strategic expansion plan, with a target of reaching 50 branches by 2030 – effectively more than quadrupling the current footprint over the next 4 years.
- Based on our last update, we maintain our 'Neutral' rating on the stock with a target price of SAR 66.5/share.

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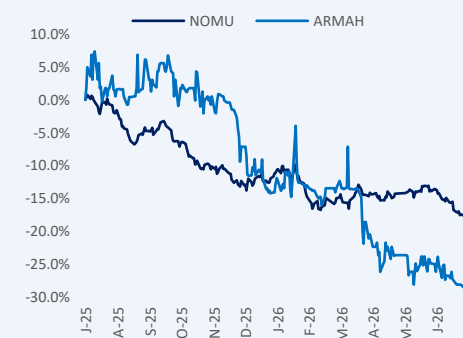
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Issuer Information

Bloomberg Code	ARMAH AB
Last Price (SAR)	55.7
No of Shares (mn)	32.9
Market Cap bn (SAR/USD)	1.8 / 0.5
52-week High / Low (SAR)	85.1 / 55.0
12-month ADTV (mn) (SAR/USD)	0.6 / 0.2
Free Float (%)	63.5
Foreign Holdings (%)	0.1

Last price as of July 29th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	1H26A	1H26E*	Var (%)	1H25A	YoY (%)	2H25A	QoQ (%)
Revenue	114	117	(2.8)	102	11.1	123	(7.2)
Cost of Revenues (COGS)	60	63	(5.0)	55	9.1	59	0.8
Gross Profit	54	54	(0.2)	48	13.3	63	(14.7)
Gross Margin (%)	47.5	46.3		46.5		51.7	
Operating Expenses	21	23	(7.9)	18	14.9	22	(3.3)
Operating Profit	33	31	5.5	29	12.3	41	(20.7)
Operating Margin (%)	28.9	26.7		28.6		33.9	
Net Profit	24	19	27.2	27	(11.5)	35	(29.7)
Net Margin (%)	21.4	16.3		26.8		28.2	
EPS (SAR)	0.74	0.58	27.2	0.84	(11.5)	1.05	(29.7)

*anbc estimate

Source: Company Financials, anbc research

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Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

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