Leejam Sports Co.

July 28, 2026

Top line strength drives consensus beating quarter; profitability weighed down by ramp-up costs

Last Price: SAR 70.15 | YoY Performance: -29.5%

2Q26 FIRST TAKE

KEY TAKEAWAYS

- Leejam reported 2Q26 revenue of SAR 411 mn, up 9.4% YoY and 8.9% above our estimate of SAR 377 mn. Growth was driven by a 9% YoY increase in subscription and membership revenue to SAR 343 mn, supported by an 8% rise in active members to 523k and 20 net center additions over the past twelve months, bringing the total to 247 centers.
- Female center revenue grew 19% YoY to SAR 114 mn on a higher average center count (75 vs. 61), while male center revenue increased 3% YoY to SAR 282 mn. On a QoQ basis, revenue rose 11.3%, reflecting a recovery in member activity following Ramadan and Eid seasonality in 1Q26, alongside contributions from newly opened centers.
- Gross profit reached SAR 141 mn, up 4.8% YoY and 19.9% QoQ. Gross margin stood at 34.3%, below the 35.9% recorded in 2Q25, reflecting the fixed-cost burden of newly opened centers before they reach full membership levels.
- Operating profit came in flat YoY at SAR 93 mn, as operating expenses increased 16.7% YoY to SAR 48 mn on continued investment in human capital and IT infrastructure. EBITDA rose 3% YoY to SAR 182 mn, with EBITDA margin of 44% versus 47% in 2Q25.
- Net profit reached SAR 63mn in 2Q26, down 12.5% YoY but up 29.7% QoQ, exceeding our estimate of SAR 49mn by 29.2% due to stronger-than-expected revenue and gross margin. The YoY decline was driven by lower gross margin, higher G&A and finance costs, and the absence of a SAR 3.1 mn impairment reversal recorded in 2Q25, partly offset by revenue growth, the absence of associate losses, and higher Murabaha income. Net margin stood at 15%, above our forecast of 13%.
- Based on our last update, we maintain a 'Neutral' rating on the stock with a target price of SAR 86.6/share. The company also announced a cash dividend of SAR 0.77/share for 2Q26.

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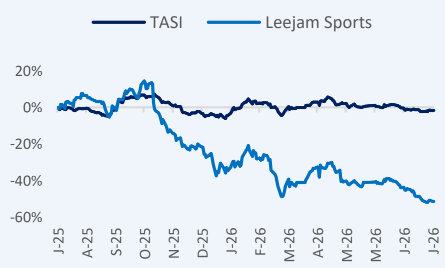
Issuer Information

Bloomberg Code	**LEEJAM AB**
Last Price (SAR)	**70.15**
No of Shares (mn)	**52.4**
Market Cap bn (SAR/USD)	**3.7 / 0.9**
52-week High / Low (SAR)	**151.7 / 69.7**
12-month ADTV (mn) (SAR/USD)	**13.5 / 3.6**
Free Float (%)	**42.2**
Foreign Holdings (%)	**6.2**

Last price as of July 27th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	2Q26A	2Q26E*	Var (%)	2Q25A	YoY (%)	1Q26A	QoQ (%)
Revenue	411	377	8.9	376	9.4	369	11.3
Cost of Revenues (COGS)	270	256	5.4	241	12.0	252	7.2
Gross Profit	141	121	16.4	135	4.8	118	19.9
Gross Margin (%)	***34%***	***32%***		***36%***		***32%***	
Operating Expenses	48	41	16.4	41	16.7	40	19.5
Operating Profit	93	80	16.4	93	(0.4)	77	20.2
Operating Margin (%)	***23%***	***21%***		***25%***		***21%***	
Net Profit	63	49	29.2	72	(12.5)	49	29.7
Net Margin (%)	***15%***	***13%***		***19%***		***13%***	
EPS (SAR)	1.3	0.9	36.2	1.4	(8.3)	0.9	37.2

**anbc estimate*
Source: Company Financials, anbc research

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