



Earnings Presentation

Q2/H1 2024

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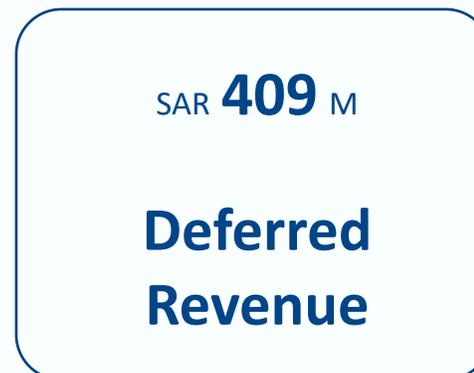
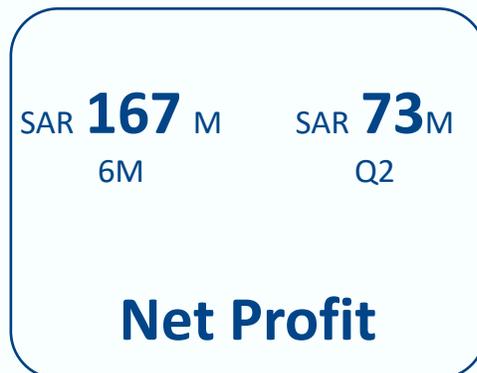
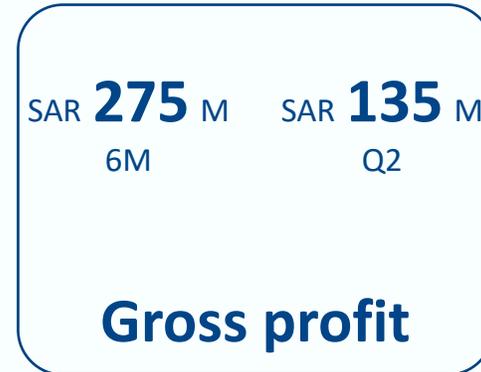
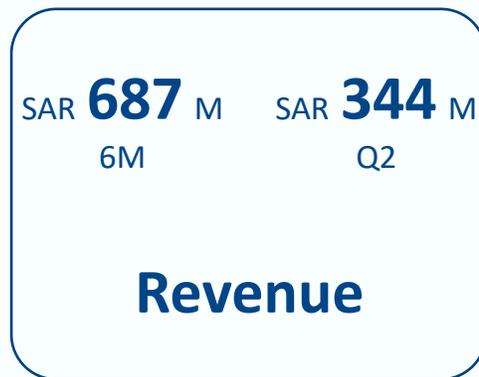
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Executive Summary

Led by its Core, Leejam achieved double digits in revenue, profit & membership numbers in H1 2024



During Q2 2024, Leejam grew its network, with a focus on members retention

5

**Additional Centers &
Studios**

4

**Refurbished centers
During Q2 2024**

16%

**Ave. Monthly Member
Growth**

15%

**YOY Increase on Total
Visits**

45%

**YOY Increase
in PT Session**

14%

**YOY Increase
in GX Classes**

-3%

**YOY
in GX Participations**

7%

**YOY Member Per Center
Growth**



Leejam operates in an underpenetrated market, with great growth potential

428 K
Members



336 K
Male



92 K
Female



+ 81 K
Scheduled Classes



+24 K
PT sessions



+627 K
GX Attendance

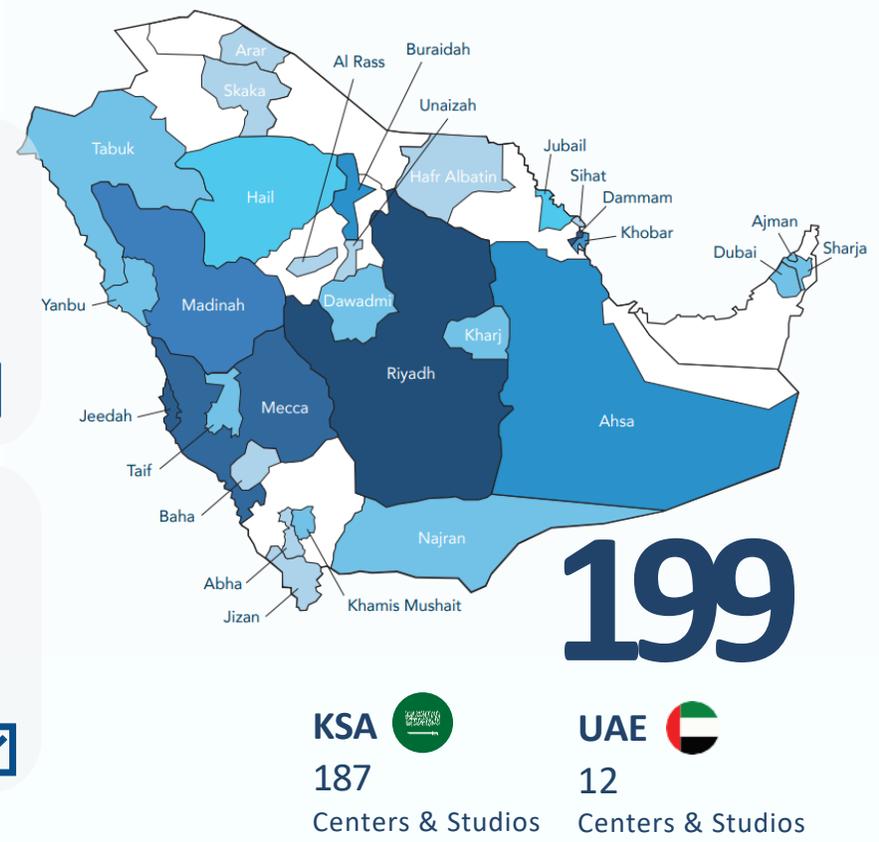


+59
Total Refurbished Center



8.8 M
Total Visits





Leejam currently operates the following fitness brands:

								
Fitness Time	Males 25+	Males 16+	Males 16+	Males 16+	Females 16+	Females 16+	Females 16+	Total
No. of Centers As of June 2024	4	60	34	32	42	3	5	180

New Segments								MMA
Facility Type	Clinics	Courts		Concept Studios			Academies	
No. of Facility As of June 2024	14	16		14			5	

Network Expansion & Members Trend

Memberships continue its growth with record Q2 numbers ...

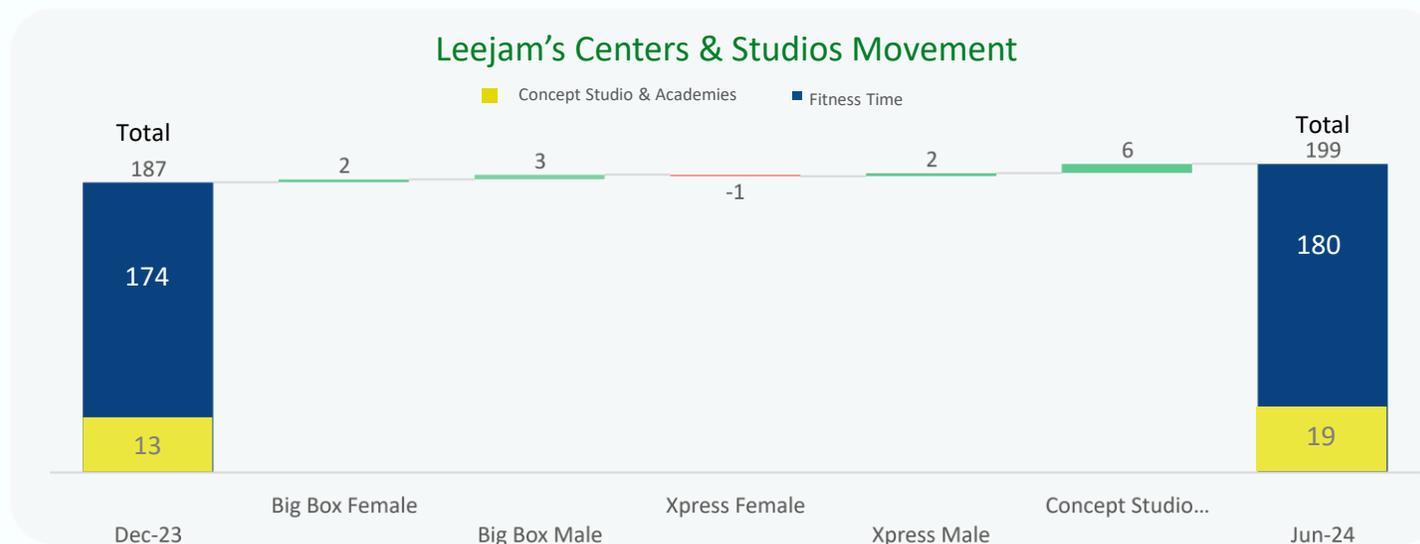
Member Count

- Membership numbers grew significantly in Q2 2024 vs Q2 2023 driven by additional operation center and higher retention rate.

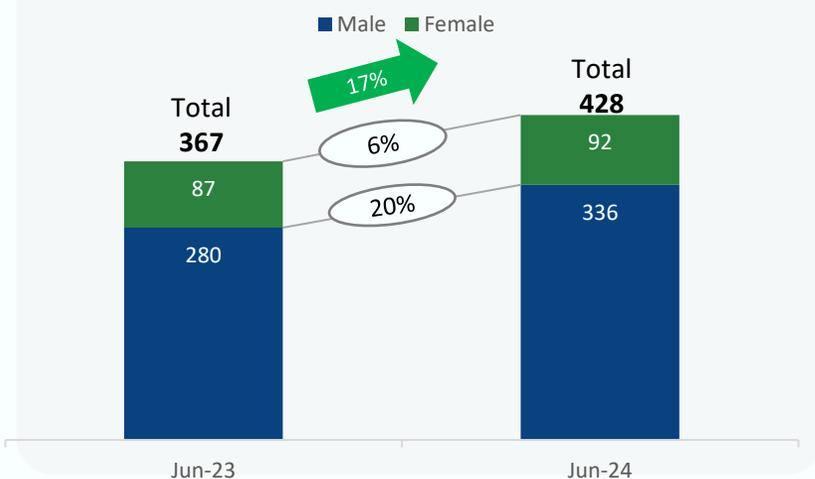
Additional Centers

13 additional centers & studios during 2024 till now and 5 during Q2 2024 , with one closing of Xpress Ladies center.

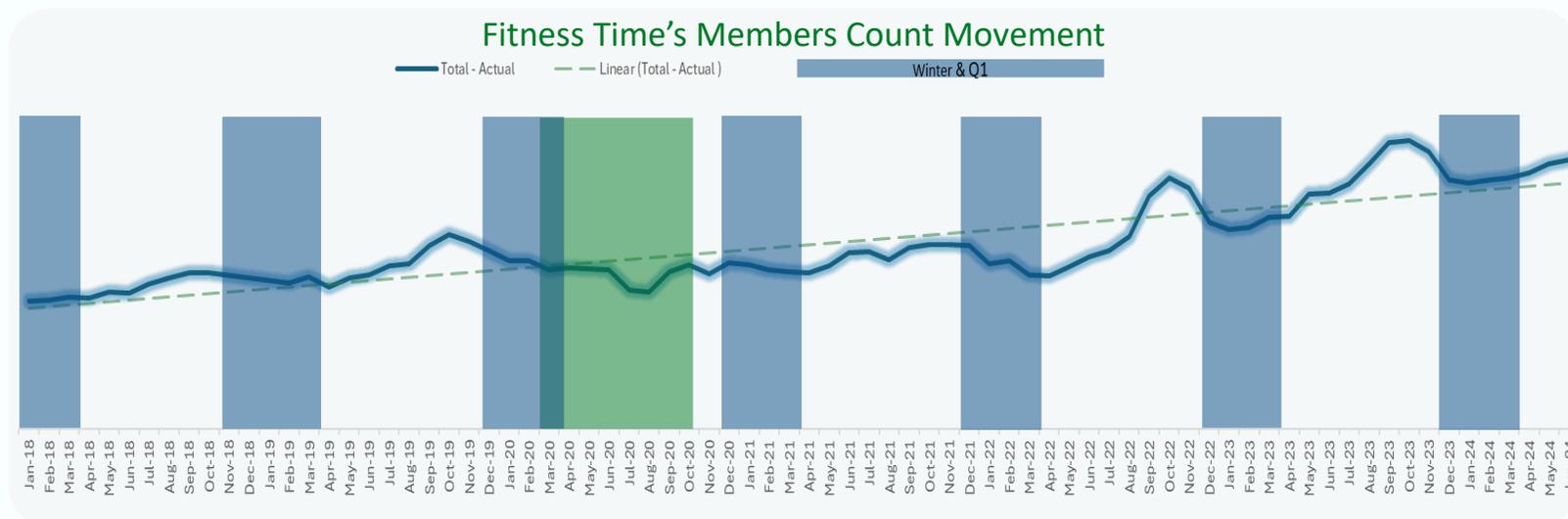
Leejam's Centers & Studios Movement



Fitness Time's Active Members By Gender (000)



Fitness Time's Members Count Movement





Q2/H1 2024 Financial results

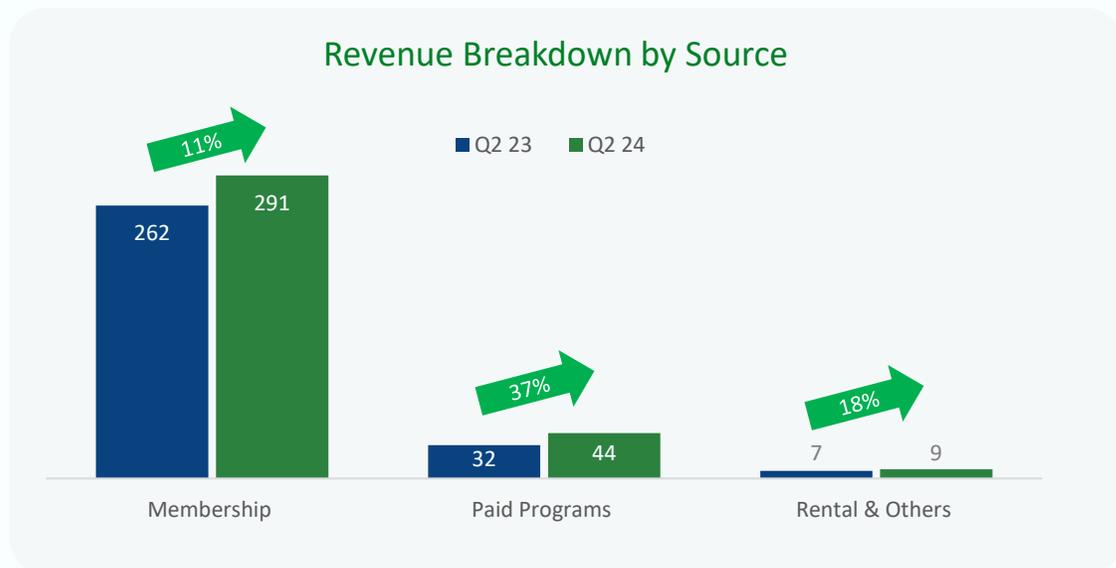
Leejam continued to sustain lucrative margins in Q2 2024 despite pressure from ramp up

Revenue

- Revenue grew by 14% driven by the increase in numbers of members and centers, which was led by non-mature centers.

Margins

- Gross profit increase by 9% driven by the increase in revenue. Its growth came below the growth in revenue mainly as a result of 20 additional center since the end of Q2 2023 which are still under ramp up.
- EBITDA grew by 14% due to the the increase in operating expenses.
- EBITDA margin increased by 0.16 bps.
- Net profit increased by 0.6% despite the increase in losses form associate & other investment, finance cost and zakat expenses. Q2 also included one-off item expense impact of SAR -2.9 million due to closure of two centers
- Net profit margin decrease by 2.8 bps.



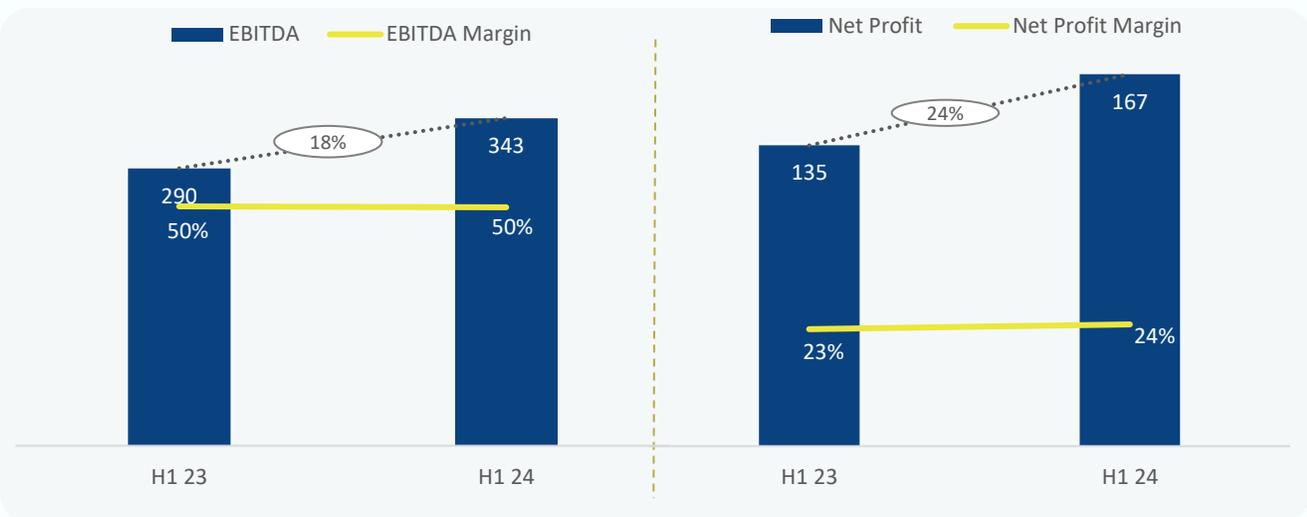
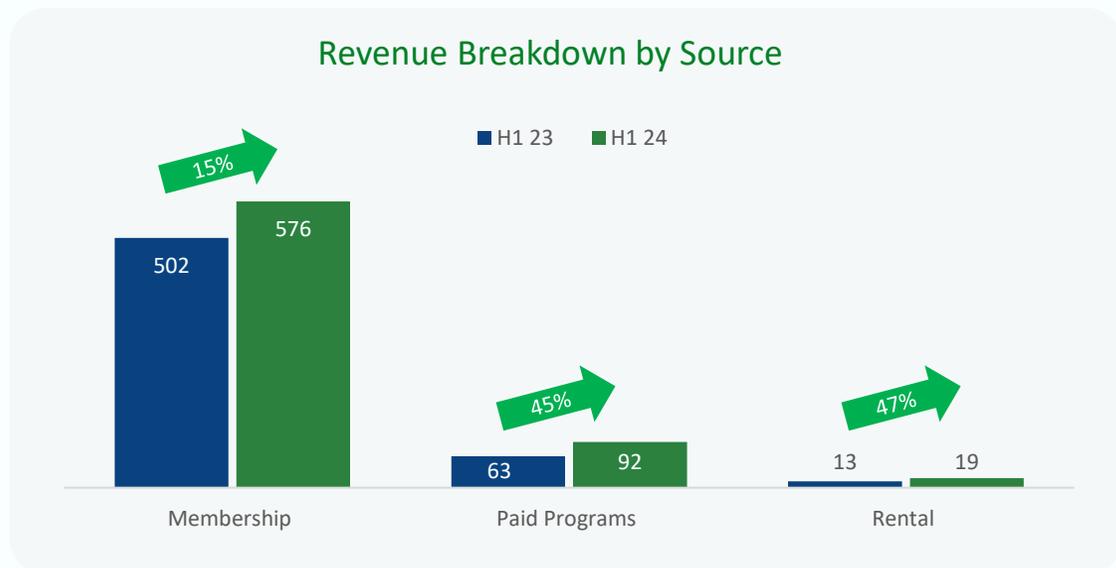
With record revenue in H1, Leejam continued to sustain its lucrative margins

Revenue

- Revenue grew by double-digits, driven by growth from the membership and subscription revenue, led by the increase in number of members and centers.

Margins

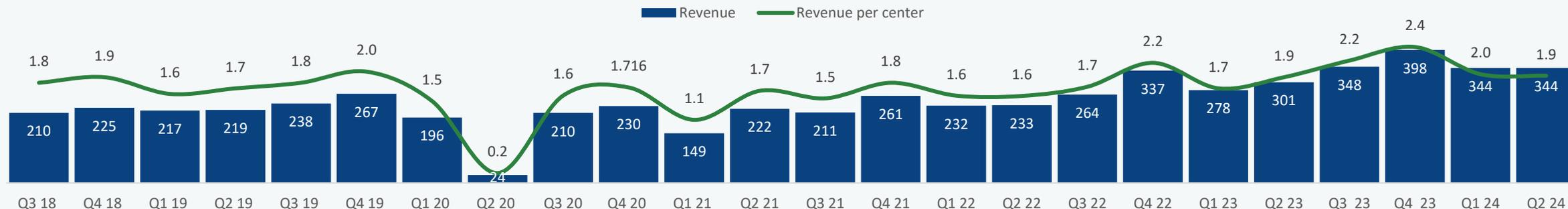
- Gross profit increase by 18% driven by the increase in revenue. GP margin was stable – despite the increase in cost of revenue which was caused by the additional number of centers.
- EBITDA grew by 18% despite the increase in operating expenses.
- Net profit increased by 24% despite the increase in finance cost and zakat expenses. 1H 2024 also included one-off items:
 - One-off income amounting to SAR 18 million related to previously impaired centers in Ras Al Khaimah, UAE.
 - One-off item expense impact of SAR -2.9 million due to closure of two centers
- Net profit margin grow by 1 bps despite the increase in finance cost and zakat expenses.



Expanding growth of members continue to support Fitness Time revenue & net income per center

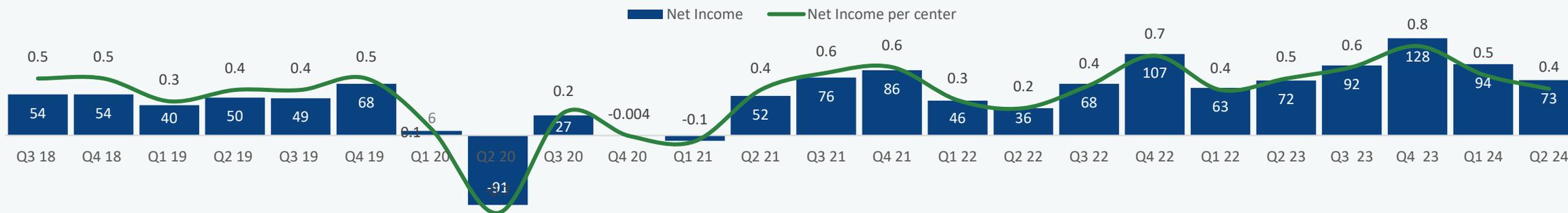
Average Revenue per center

1.4% growth in Fitness Time Revenue per center vs. Q2 2023 mainly due to higher number of members, We expect revenue per center to decrease as Xpress Centers get more weight since it generate lower revenue compared to Big Box.



Average Net Income per center

18% decreased in Fitness Time net profit per center vs. Q2 2024, mainly due to one-off income recorded in Q2 2024, and the 20 centers added during last 12 month still in ramp up. Despite that we maintained a good level of profitability per center.



Q2 2024 Highlights

- 14% growth in revenue comparing with LY and inline with 1Q'24 revenue despite seasonality.
- 14% growth in revenue per center for non-mature clubs comparing with LY.
- Planned extension of pre-opening campaigns, speeding the ramp up periods came at the cost of lower yield, to ease pressure on margins.
- 10% growth in revenue for LFL clubs.
- Growth in absolute revenue for FT clubs, with limited impact of new centers.
- Double digit growth in female clubs.
- Q2 coincide with holidays which is a low season for subscription sales.
- Pressure on customer wallet continued.
- Highest ever deferred revenue balance for a second quarter.

CoR increased as Leejam continue its opening of new centers, investment in quality of services and refurbishment program continues

COR & COR/Center

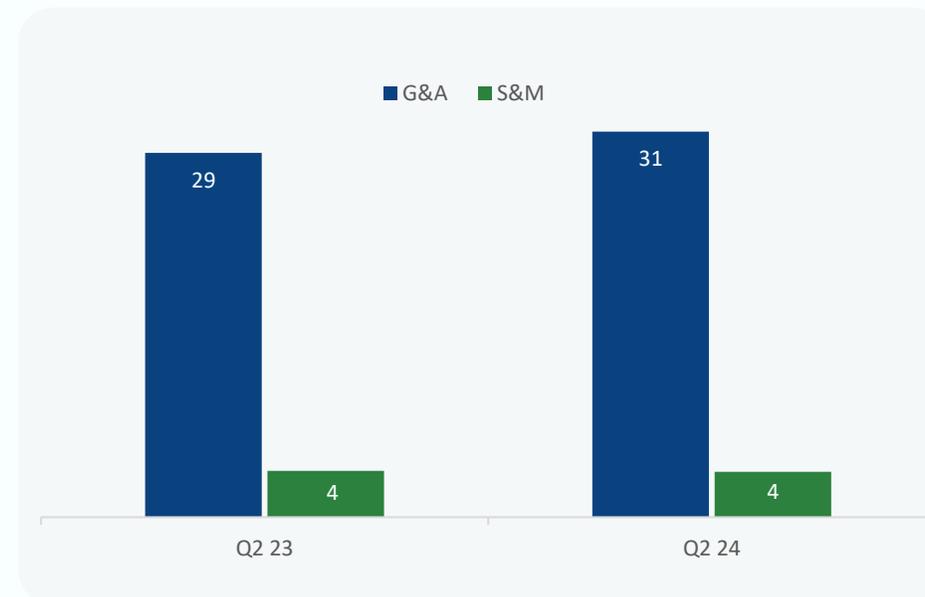
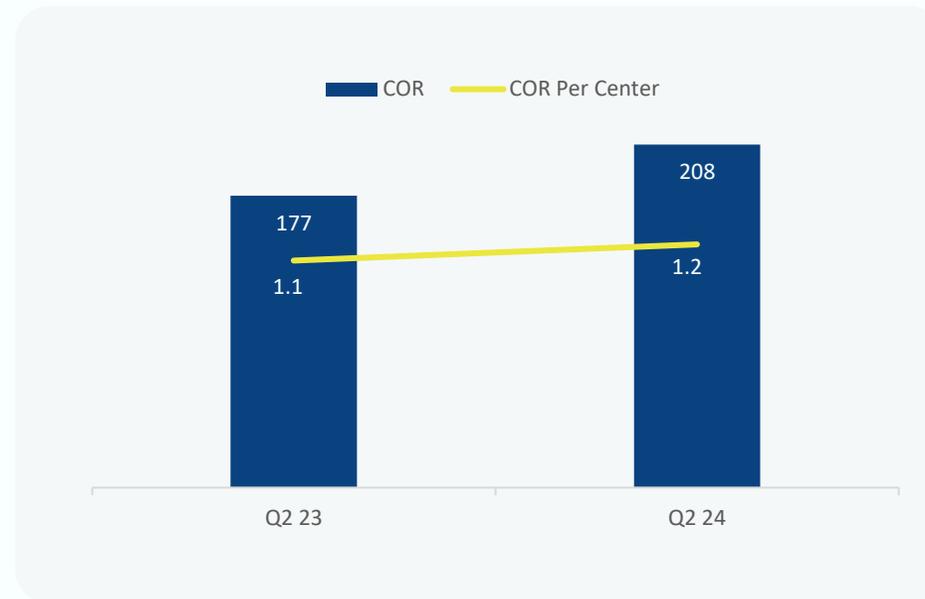
- An increase of 17% in overall cost of revenue compared to Q2 2023 mainly due to the increase in operating number of centers.
- An increase of 6% in average CoR/Center is due to an increase in maintenance, repair, and cleaning costs as a result of a growing membership and a focus on maintaining the high quality of services, facilities, and technologies that we provide for our members.

G&A

G&A increased by 6% mainly driven by the investment in digitalization initiatives and personal.

S&M

S&M decreased by 2% as lower centers opening during the quarter. Compared to Q1 2024, S&M expenses decreased significantly as the company frontloaded many of its campaign to Q1 instead of Q2 in anticipation of a slow season.



CoR increased as Leejam continue its opening of new centers, investment in quality of services and refurbishment program continues

COR & COR/Center

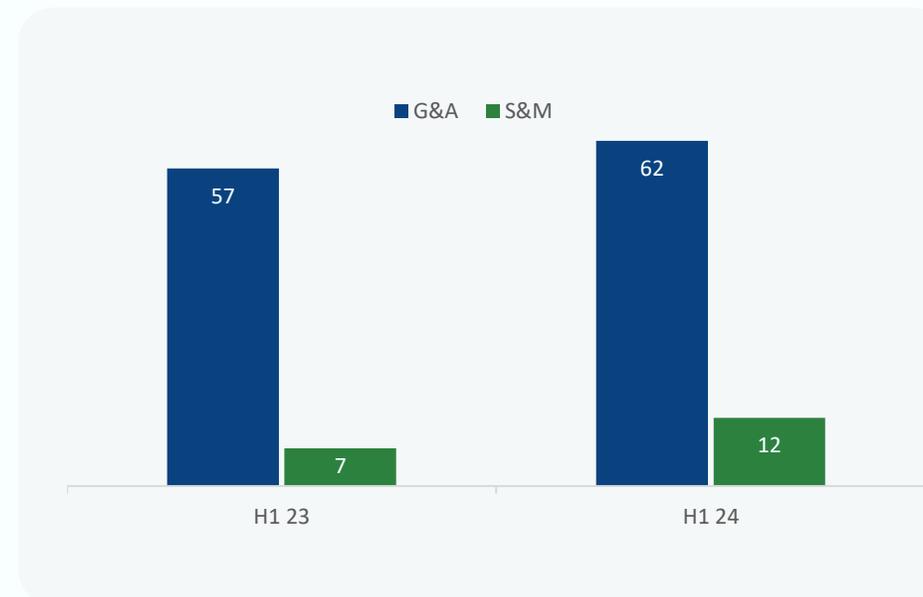
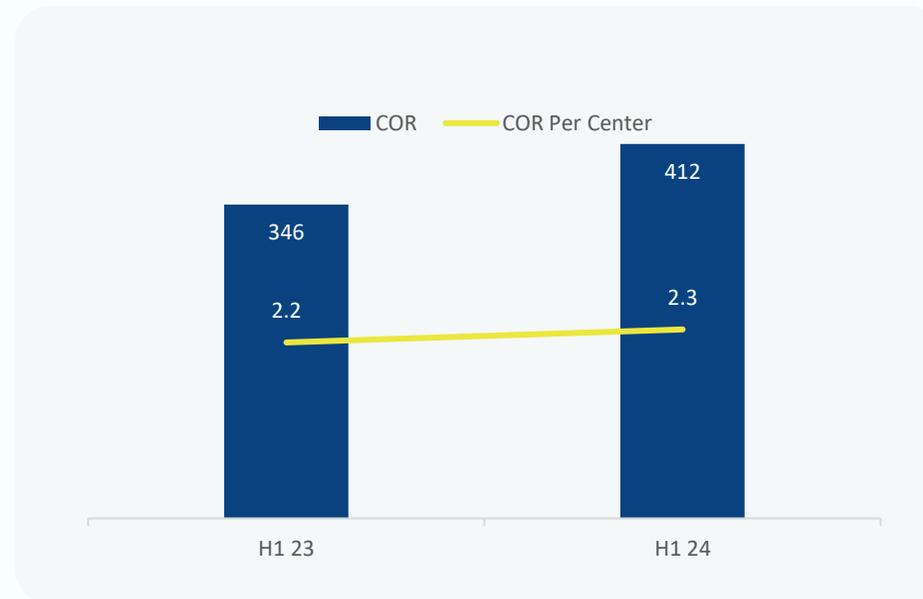
- An increase of 19% in overall cost of revenue compared to H1 2023 mainly due to the increase in operating number of centers.
- An increase of 7% in average CoR/Center is due to an increase in maintenance, repair, and cleaning costs as a result of a growing membership and a focus on maintaining the high quality of services, facilities, and technologies that we provide for our members.

G&A

G&A increased by 9% mainly driven by the investment in digitalization initiatives and personal.

S&M

S&M increased by 81% mainly driven by more investment in marketing, support the pre-opening campaigns, and mass participation events.

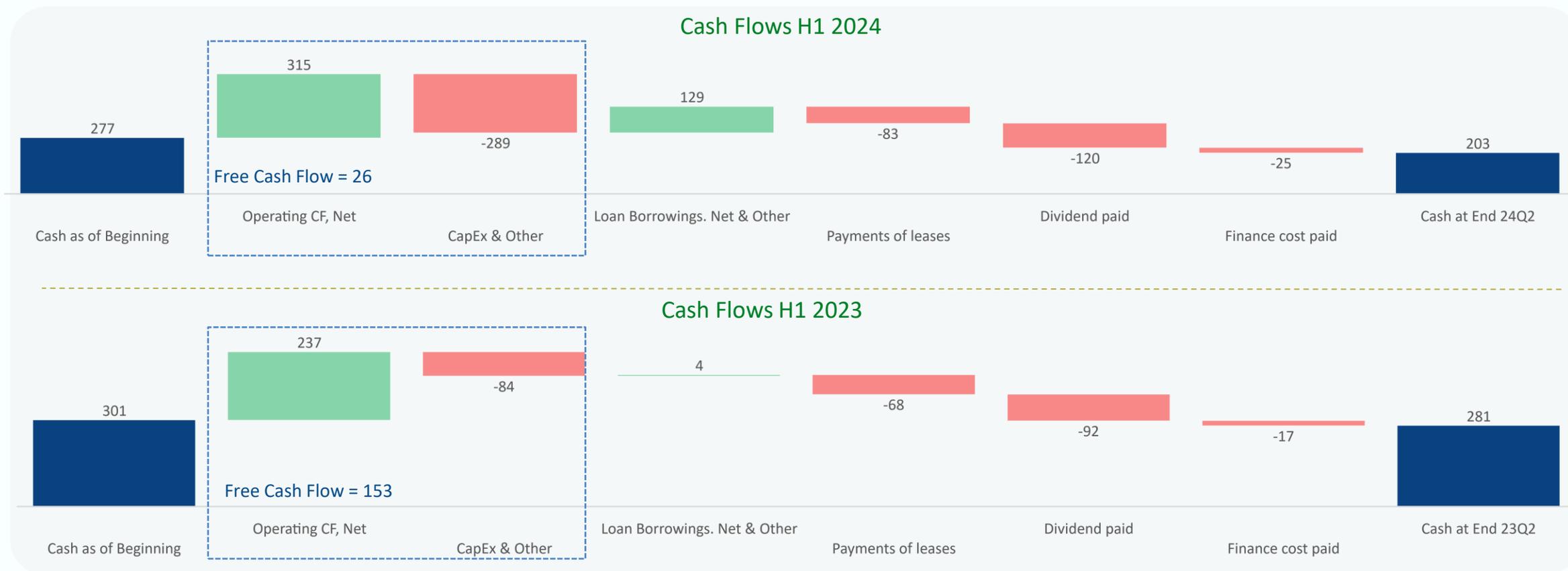


Strong financial position, solid returns, and acceptable leverage level

- The increase in deferred revenue of 10% came as result of the company focus efforts and the consistent growth in membership numbers observed across all segments.
- The decrease in cash and equivalents & increase in loans came as a result of the increasing investments in the business and fund the planned expansion as **during Q2 the company had the highest number of projects in the pipeline as well as buying real estate of existing locations where rent were high e.g. Ghurnata, Jeddah & Azizia, Riyadh locations.**
- With a healthy 1.55 total debt to equity ratio, the company enjoying a strong balance sheet.



Strong cash generation with accelerated investment on expansion



Solid Operating Cash Flows:

Demonstrating a strong operational performance with a cash inflow of 315 million, generated by core business.

Increasing Investments:

CapEx more than doubled reaching SAR 280 million, mainly due to the growth in number of centers under construction in H1 2024 compared to H1 2023.

Free Cash Flows:

Despite the operating cash flows growing by 33% during the quarter, the company's FCF declined by 83% as results of planned increased in CapEx to support future growth.

Free Cash Flows:

The increase in loans compared to LY was done to fund the company's expansion plan.

Shareholder Returns:

Continuing to pay 60% of distributable income to shareholders with dividends payments totaling 120 million.

Segment performance

For Fitness Time, Female segment showed strong growth both in revenue and member/center while male segment still the dominate

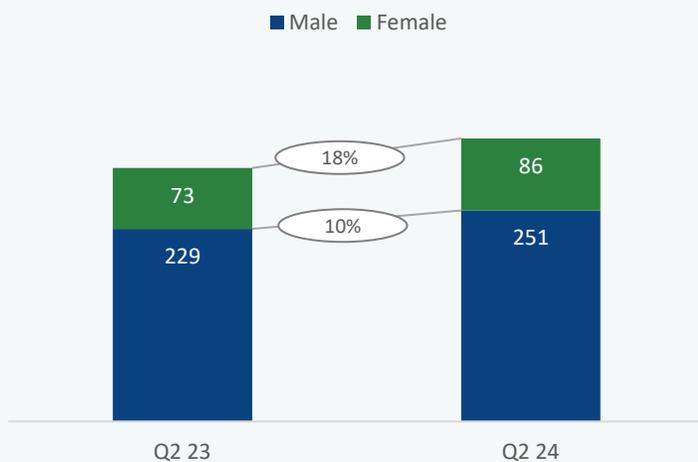
Male Segment

- Male segments continue to be the dominant segment and ending of Q2 2024 with 10% revenue growth.
- The segment GP increased by 7% to SR 107 million in Q2 2024.
- Revenue/center decreased by 2%.

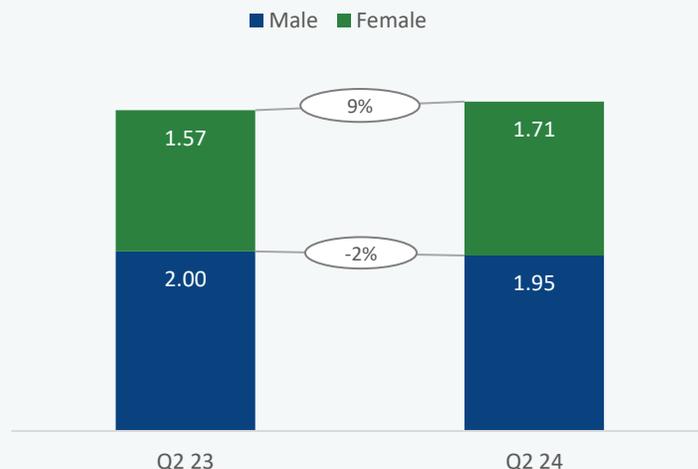
Female Segment

- Female segments continue its rebound ending of Q2 2024 with 18% revenue growth.
- The segment GP increased by 14% to SR 28 million in Q2 2024.
- Revenue /center grew by 9%.

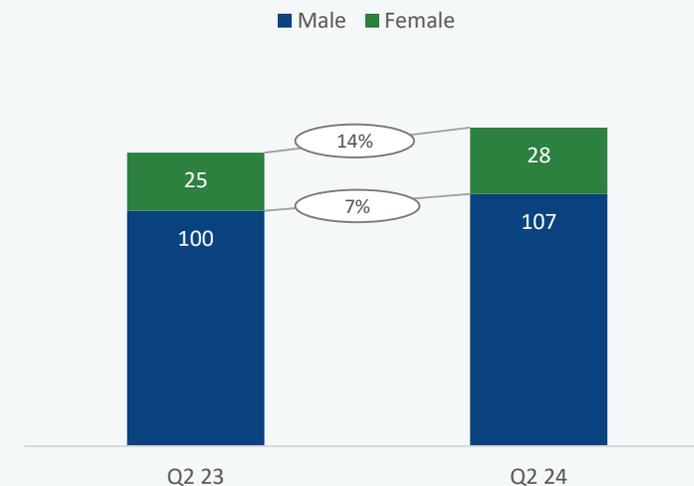
Gender Segments Revenue



Segments' Revenue Per Center



Segments' Gross Profit



For Fitness Time, Female segment showed strong growth both in revenue and member/center while male segment still the dominate

Male Segment

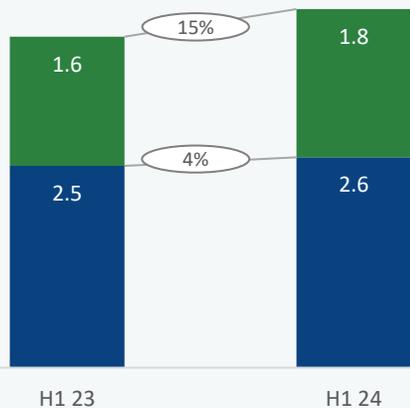
- Male segments continue to be the dominant segment and ending of H1 2024 with 14% revenue growth and 2% growth of Revenue per Center.
- The segment GP increased by 14% to SR 212 million in H1 2024.
- Member/center grew by 4% while Revenue/center increased by 2%.

Female Segment

- Female segments continue its rebound ending of H1 2024 with 22% revenue growth and 13% growth of Revenue per Center.
- The segment GP increased by 26% to SR 61 million in H1 2024.
- Member/center grew by 15% while Revenue/center increased by 13%.

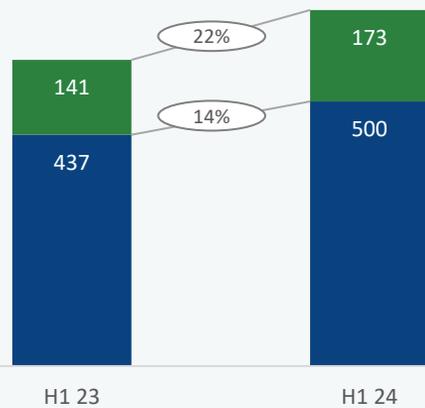
Members per Center

■ Male ■ Female



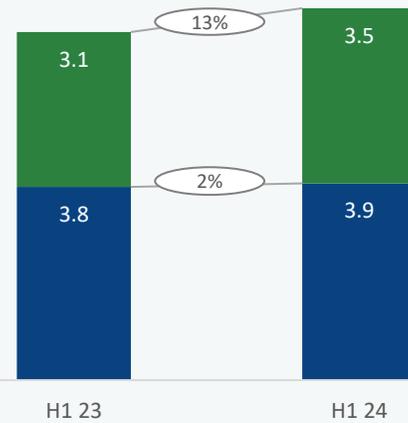
Gender Segments Revenue

■ Male ■ Female



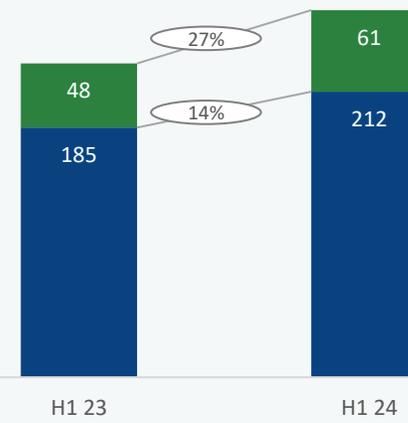
Segments' Revenue Per Center

■ Male ■ Female



Segments' Gross Profit

■ Male ■ Female



Outlook

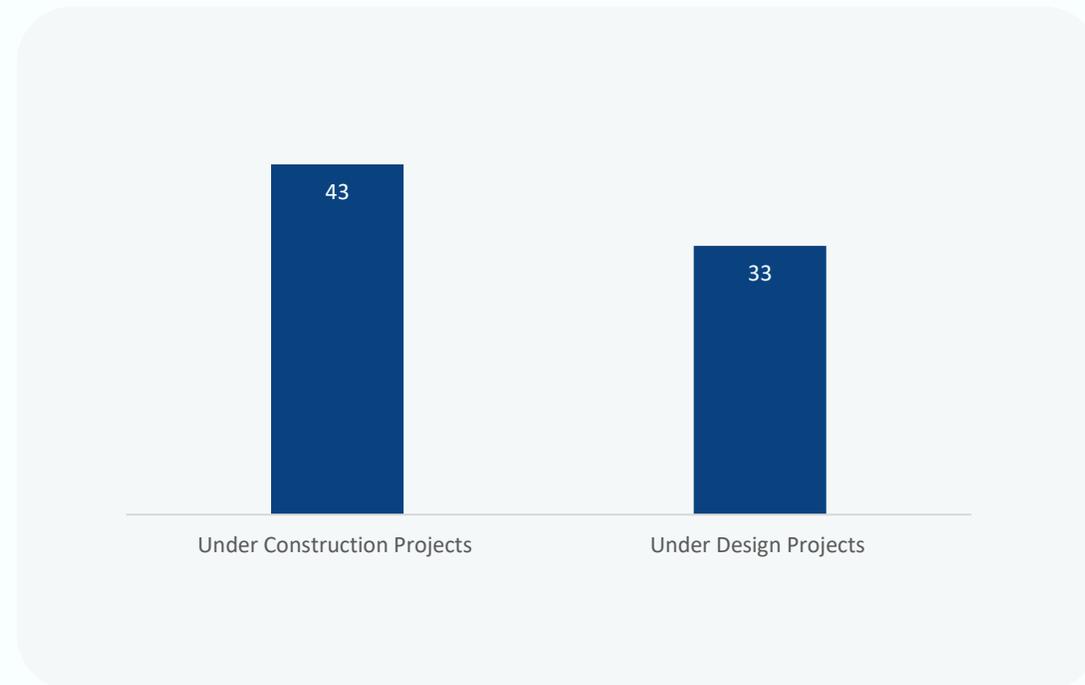
Tentative Guidance

2024 growth will be driven by:

- Further growing LFL and & Non LFL Centers
- Improving customer experience, member retention & services
- Further openings of Xpress & Big Box centers
- Continuing focus/growth on Corporate wellness & PT business

Category		Current (Centers)	Expected Openings by	Expected CAPEX (Range)
		30-Jun-24	31-Dec-24	SAR M / Center
Xpress	Female	5	0	4 to 7.5
	Male	32	3 - 5	
Big Box	Female	45	13 - 18	15 to 20
	Male	98	12 - 17	
Concept Studios		14	TBD	1 to 2.5
Academies		5	TBD	TBD
Total		199	28 - 40	-

Projects Pipeline as of Q2 2024





Q&A

For enquires, please contact the Investor Relations Department at:
investor.relations@leejam.com.sa

Appendix

Q2 2024 P&L

SAR M	Q2 2023	Q2 2024	Change	Change %
Revenue	302	344	42	14%
Cost of revenue	(177)	(208)	(31)	17%
GROSS PROFIT	124	135	11	8%
General and administrative expenses	(29)	(31)	(2)	6%
Advertising and marketing expenses	(4)	(4)	0	-2%
(Allowance for)/ reversal of expected credit losses	(0)	(1)	(0)	-
OPERATING PROFIT	92	100	9	10%
Other income/expenses	1	(9)	(10)	-
Finance costs	(21)	(23)	(3)	13%
Gain on lease termination	-	6		
Gain on lease modification	-	-	-	-
Reversal of impairment of non-financial assets	-	-	-	-
Profit from short term Murabaha	3.2	2.6	(0.6)	-18%
Share in net results of investment in an associate	-	(1.9)	(2)	-
PROFIT BEFORE ZAKAT	75	75	(0)	0%
Zakat	(2)	(2)	0	-11%
PROFIT FOR THE PERIOD	73	73	0	0%
EARNINGS PER SHARE				
Basic and diluted earnings per share	1.39	1.39	-	0%

H1 2024 P&L

SAR M	H1 2023	H1 2024	Change	Change %
Revenue	579	687	108	19%
Cost of revenue	(346)	(412)	(67)	19%
GROSS PROFIT	233	275	42	18%
General and administrative expenses	(57)	(62)	(5)	9%
Advertising and marketing expenses	(7)	(12)	(5)	81%
(Allowance for)/ reversal of expected credit losses	(0)	(2)	(1)	-
OPERATING PROFIT	169	199	30	18%
Other income/expenses	1	(4)	(5)	-
Finance costs	(38)	(45)	(8)	21%
Gain on lease termination	-	6		
Gain on lease modification	-	9	9	-
Reversal of impairment of non-financial assets	-	5	5	-
Profit from short term Murabaha	6.9	6.1	(0.8)	-11%
Share in net results of investment in an associate	-	(4)	(4)	-
PROFIT BEFORE ZAKAT	139	172	33	23%
Zakat	(4)	(5)	(1)	23%
PROFIT FOR THE PERIOD	135	167	32	23%
EARNINGS PER SHARE				
Basic and diluted earnings per share	2.58	3.20	1	24%



Thank You