Earnings Presentation

Q3/9M 2024

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Executive Summary

Led by its Core, Leejam achieved constant growth in revenue, GP, EBITDA & NP, with membership reaching the 2025 target by end of Q3

	9M	Q3
Revenue	SAR 1,092 M	SAR 406 M
Gross profit	SAR 450 M	SAR 174 M
Operating Profit	SAR 328 M	SAR 129 M
EBITDA	SAR 545 M	SAR 202 M
Net Profit	SAR 354 M	SAR 187 M

Deferred Revenue: SAR 563 M

CapEx: SAR 295 M 9M

Leejam grew its network, with a focus on members retention & satisfaction

Trailing Twelve Months

30
Additional Centers & Studios

24
Refurbished centers During Q3 2024

Q3 2024

31%
YOY Increase in PT Session

12%
Ave. Monthly Member Growth

14%
YOY Increase on Total Visits

8%
YOY Increase in GX Classes

(9)%
YOY Decline in GX Participations

1%
YOY Member Per Center Growth

Lowest Highest

Leejam operates in an underpenetrated market, with great growth potential

509 K
Members

393 K
Male

116 K
Female

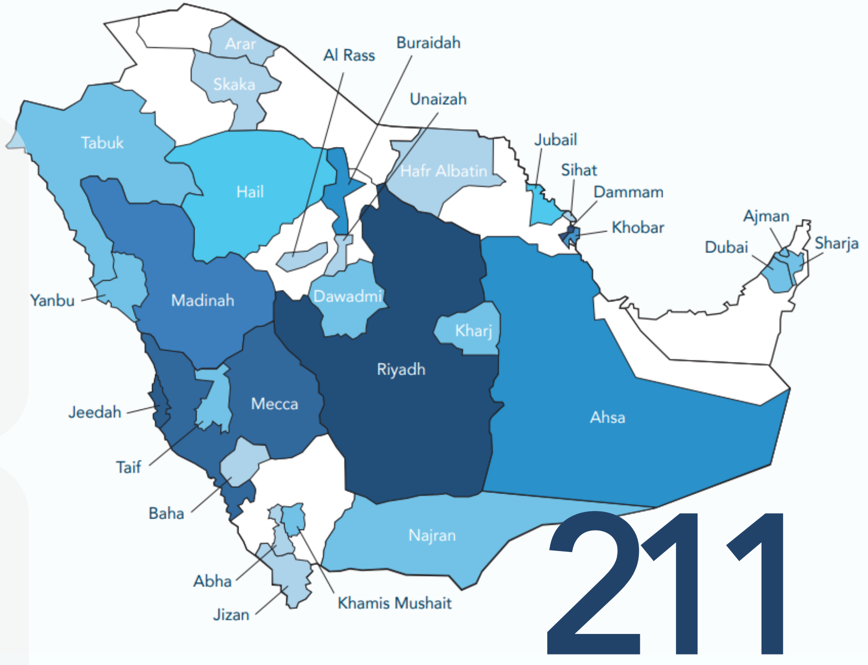
+91 K
Scheduled GX Classes

243 K
PT sessions

+804 K
GX Attendance

66
Total Refurbished Center

+11 M
Total Visits



211

KSA
199
Centers & Studios

UAE
12
Centers & Studios

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	67	30	36	47	3	5	192

New Segments	PHYSIOTHERABIA Advanced Rehab & Wellness	Padelx	3days BOX12 CHAMPS SPORTS CLUB	Kids BLU swimming academy MMA
Facility Type	Clinics	Courts	Concept Studios	Academies
No. of Facility As of June 2024	17	16	14	5

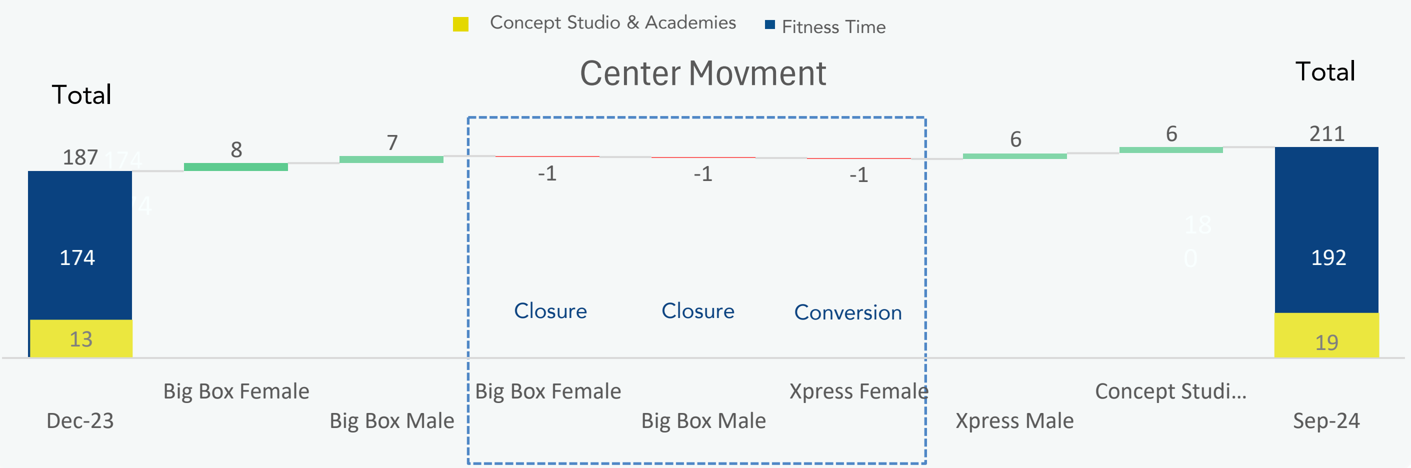
Network Expansion & Members Trend

Network and Memberships continue its growth with record numbers …

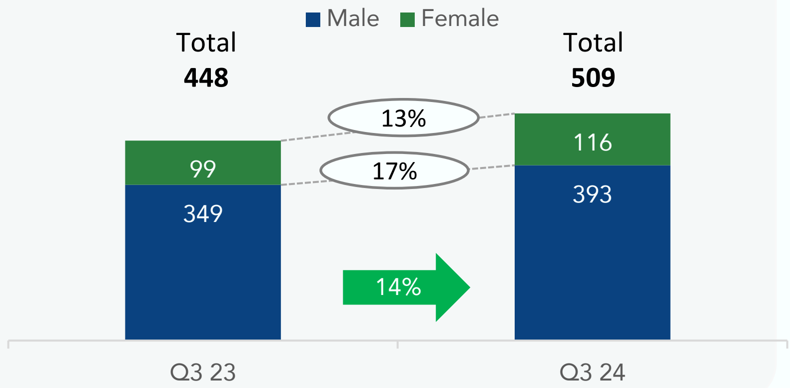
Member Count
Membership numbers grew significantly in Q3 2024 vs Q3 2023 driven by additional operation center and higher retention rate. The company were successful in reducing the seasonality effect this year, however, it would remain part of the business.

Additional Centers
27 additional centers & studios during 2024 till now and 14 during Q3 2024 , with 2 center closures and 1 conversion .

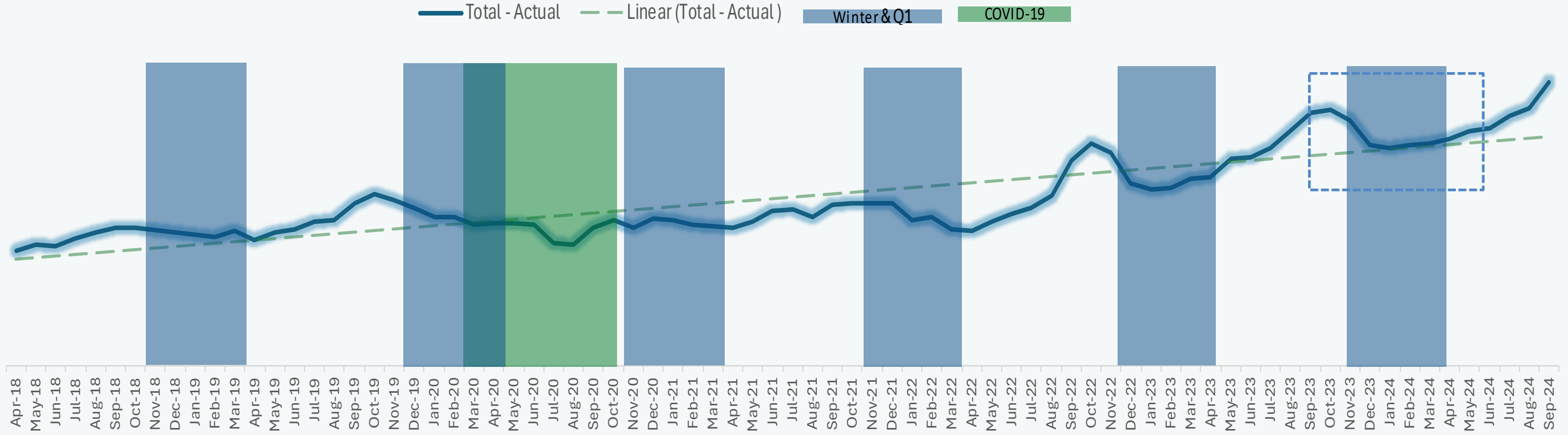
Leejam's Centers & Studios Movement



Fitness Time's Active Members By Gender (000)



Fitness Time's Members Count Movement



Q3/9M 2024 Financial results

Leejam continued to deliver lucrative margins in Q3 2024 despite pressure from expansion

Revenue

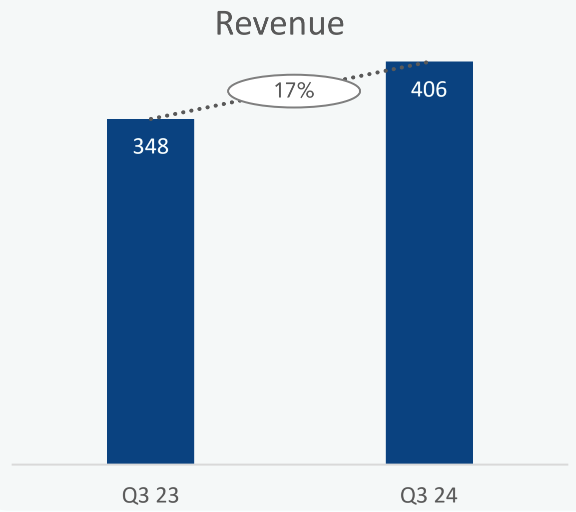
- Revenue grew by 17% driven by the increase in numbers of members and centers.

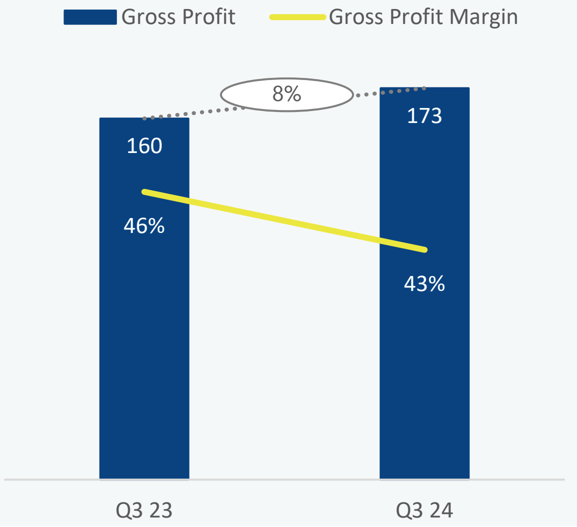
Margins

- Gross margin decrease was led by the higher cost as a result of 30 additional fitness time center since the end of Q3 2023 which are still under ramp up.

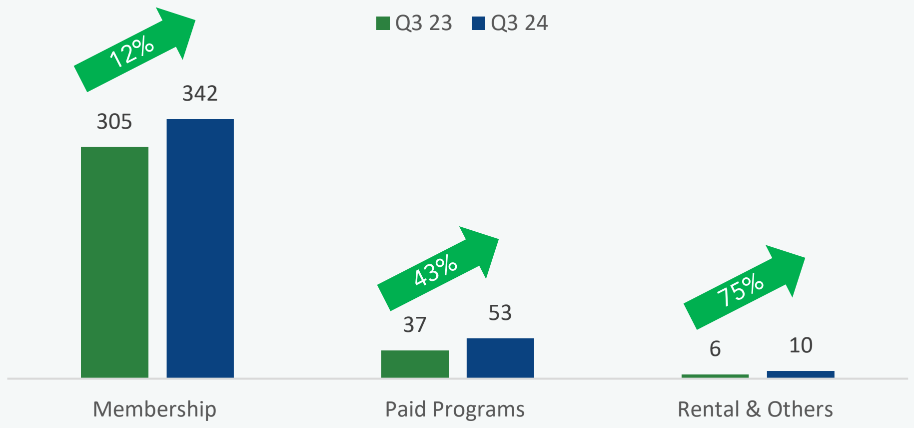
- EBITDA grew by 7% due to the the increase in operating profit.
- EBITDA margin decreased due to the increase in SG&A expenses.

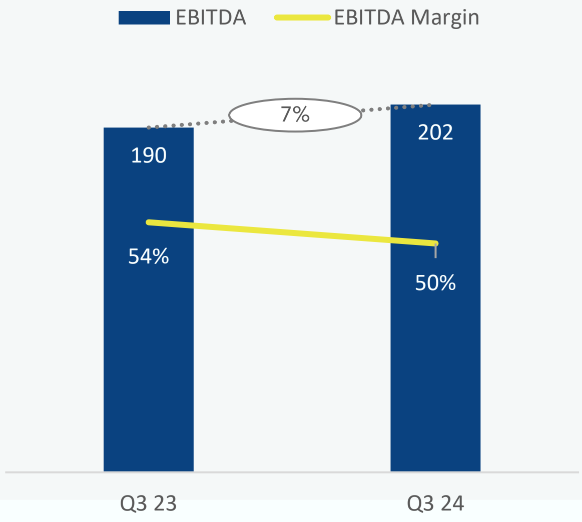
- Normalized Net profit increased by 3% despite the increase in losses form associate & other investment, finance cost and zakat expenses. Q3 also included one-off profit of SAR 92 million from the sale of 3 lands in Riyadh.
- After excluding the one-off profit, the net profit margin stood at 23%.

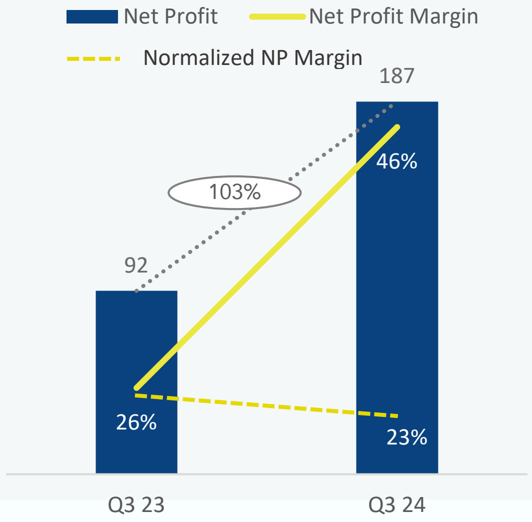




Revenue Breakdown by Source





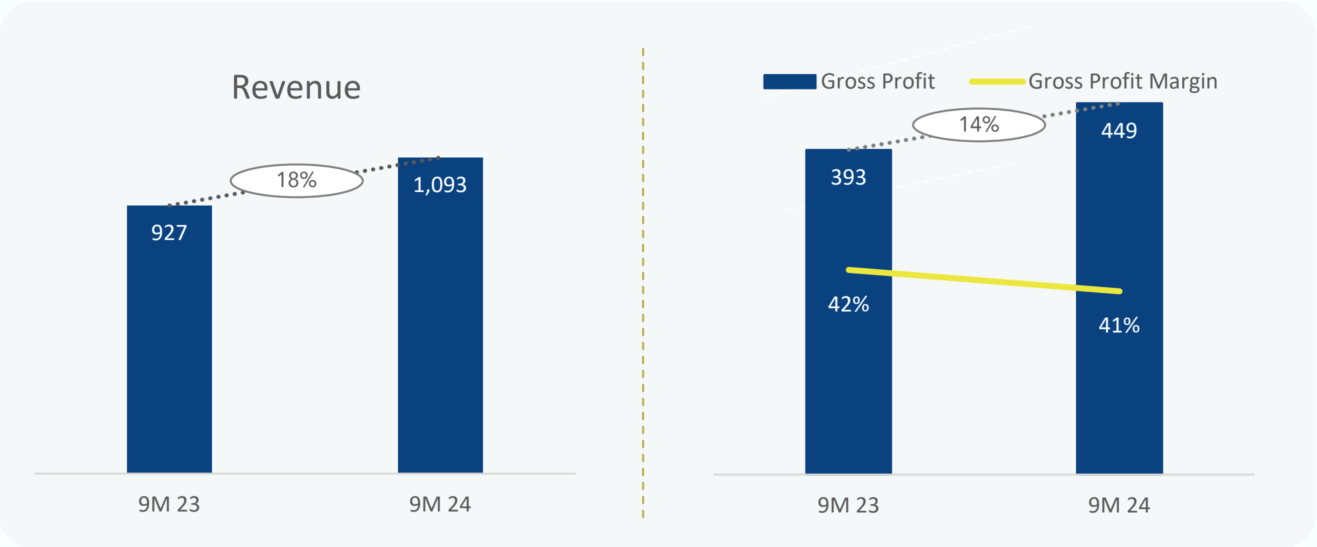


All Amounts in million (SAR)

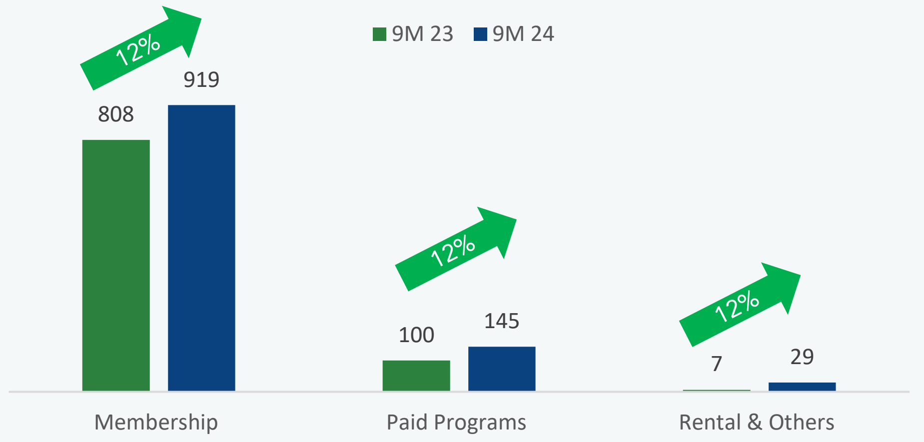
With record revenue in 9M, Leejam continued to deliver lucrative margins

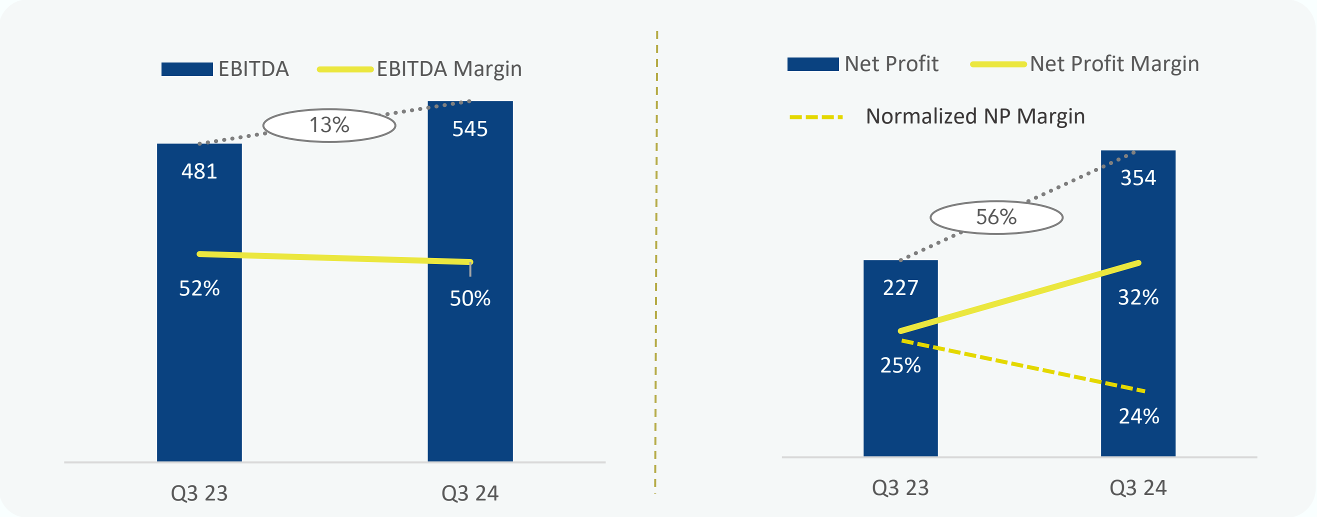
Revenue
- Revenue grew by double-digits, driven by growth from the membership and subscription revenue, led by the increase in number of members and centers.

Margins
- Gross margin decrease was led by the increase in costs as result of 30 additional fitness time centers during the last 12 months.
- EBITDA margin decreased as result of lower GP and higher SG&A expenses caused by more investment in personal IT, and marketing campaigns.
- Normalized Net profit increased by 15% as the 9M 2024 including the following 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 -4.1 million due to closure of two centers
    - One-off profit of SAR 92 million from the sale of 3 lands in Riyadh.
- After excluding the land's one-offs, the net profit margin stood at 24%.



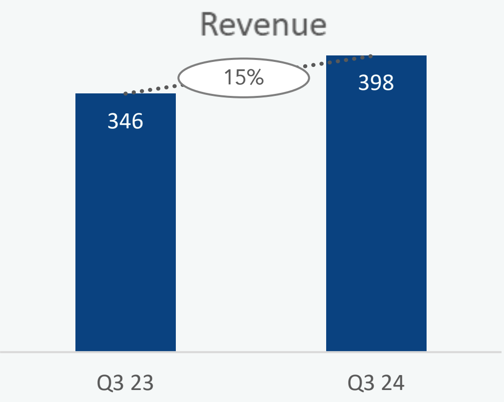
Revenue Breakdown by Source

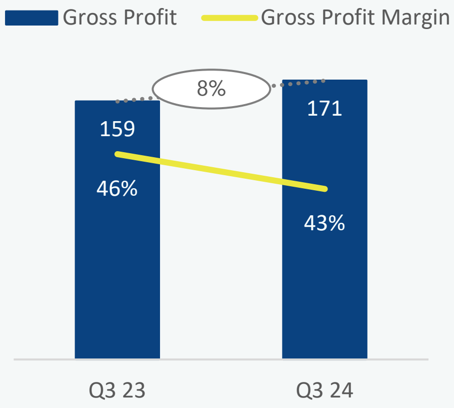




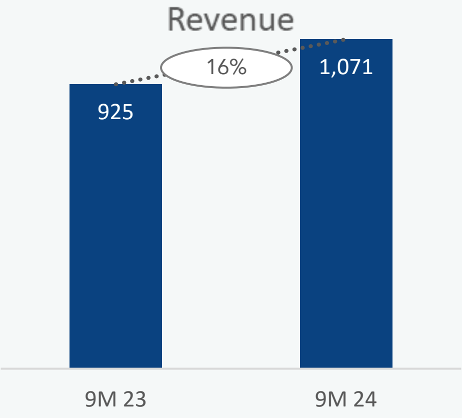
Fitness Time, the Core, margins are under slight pressure due to 30 centers during the last twelve moths which is still under ramp up

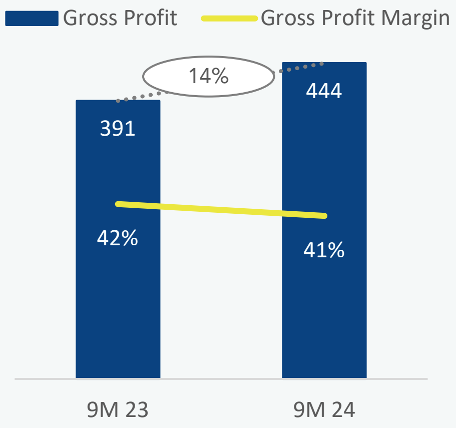
Q3

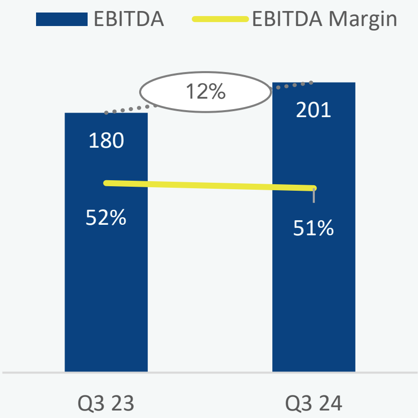


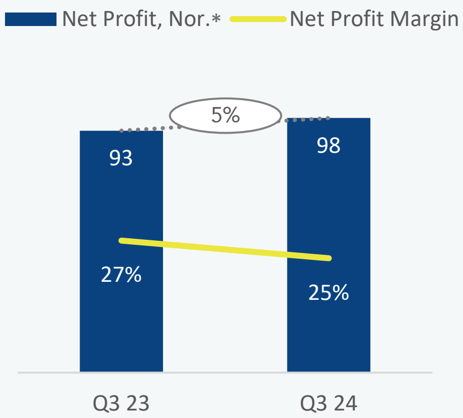


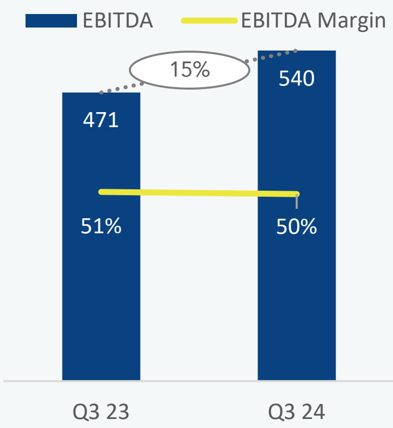
9M

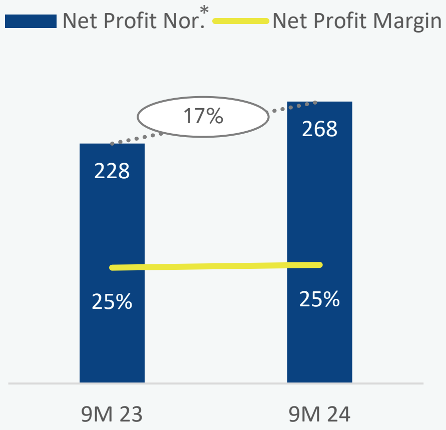










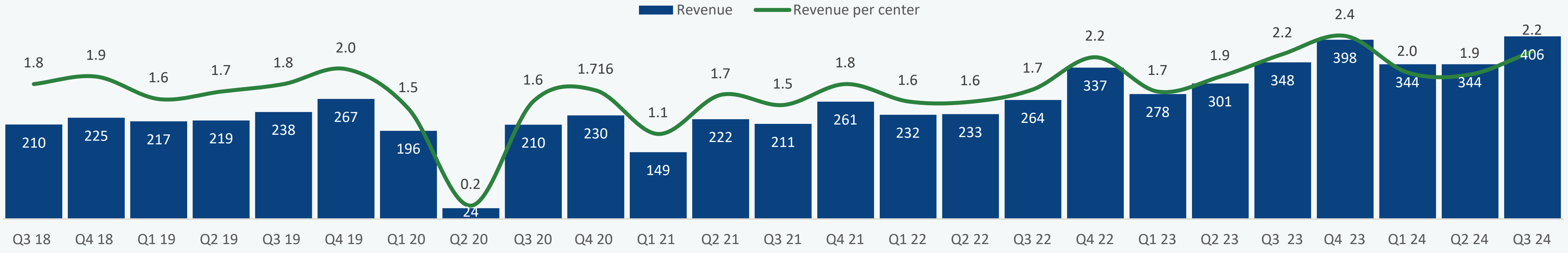


* Normalized after removing the one-off profit of lands sale.

Revenue per center level is maintained despite the increase in the weight of Xpress centers, With the net profit per centers is under short-term pressure 25% of centers are still under ramp up

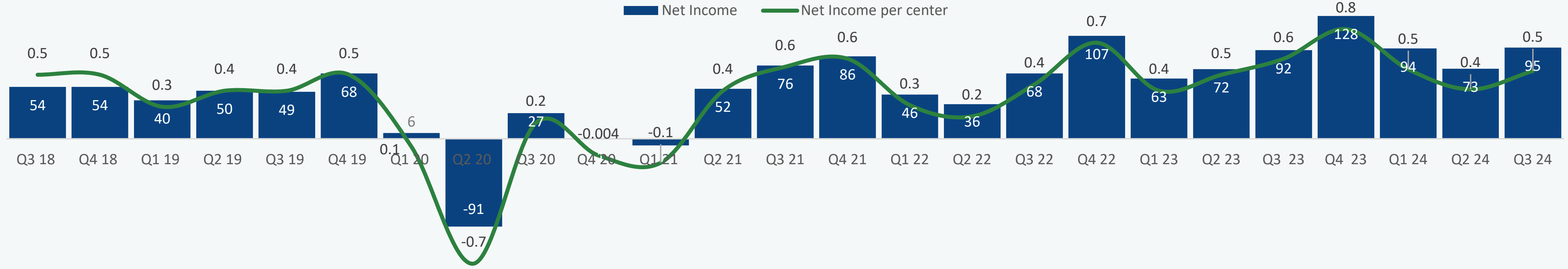
Average Revenue per center

Increase in Fitness Time Revenue per center vs. Q3 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

Decreased in Fitness Time net profit per center vs. Q3 2023 mainly due to one-off income recorded in Q3 2024 ,and the 30 centers added during last 12 month still in ramp up. Despite that we maintained a good level of profitability per center.

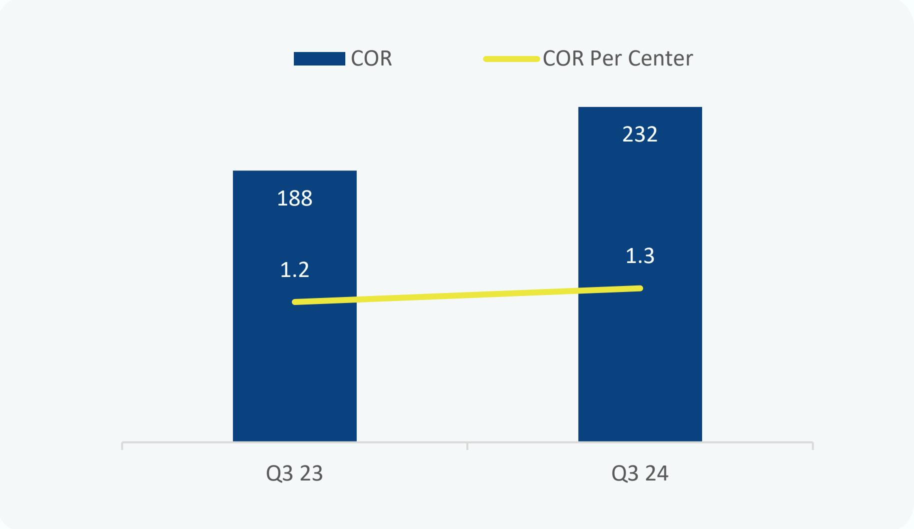


All Amounts in million (SAR)

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 23% in overall cost of revenue compared to Q3 2023 mainly due to the increase in operating number of centers.
- An increase of 10% in average CoR/Center is due to an increase in commissions, depreciation 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.

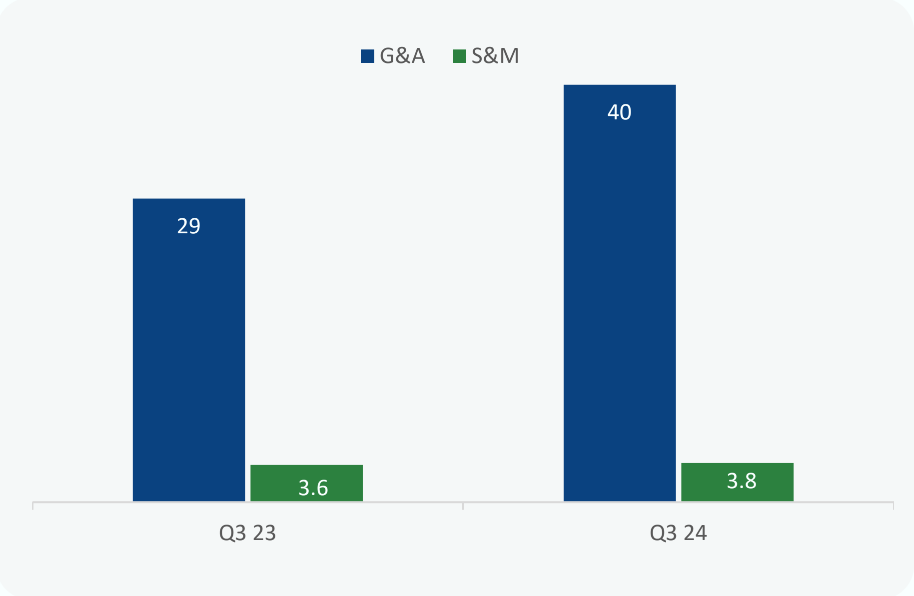


G&A

G&A increased by 37% mainly driven by the investment in digitalization initiatives and personal.

S&M

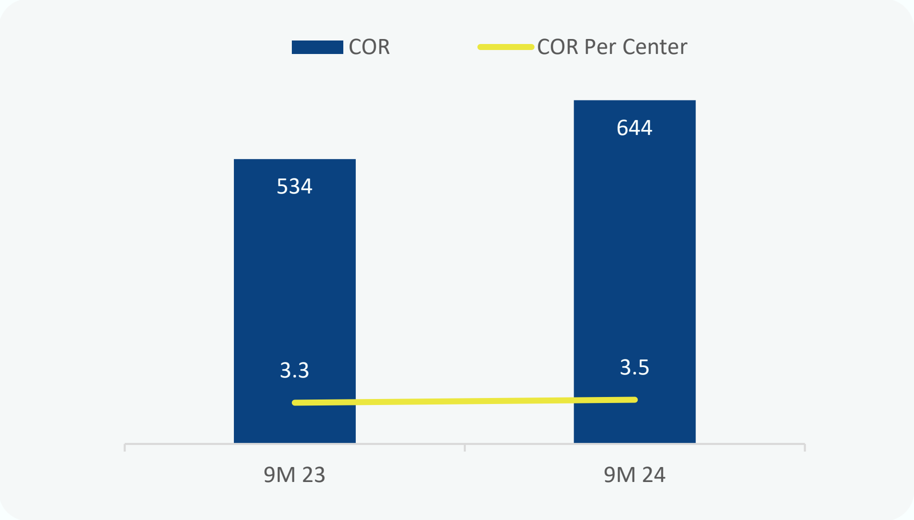
S&M increase by 6% as lower centers opening during the quarter. Compared to previous quarters of 2024, S&M expenses increase as the company had its biggest campaign of the year during September.



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 21% in overall cost of revenue compared to 9M 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 sales commissions, 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.

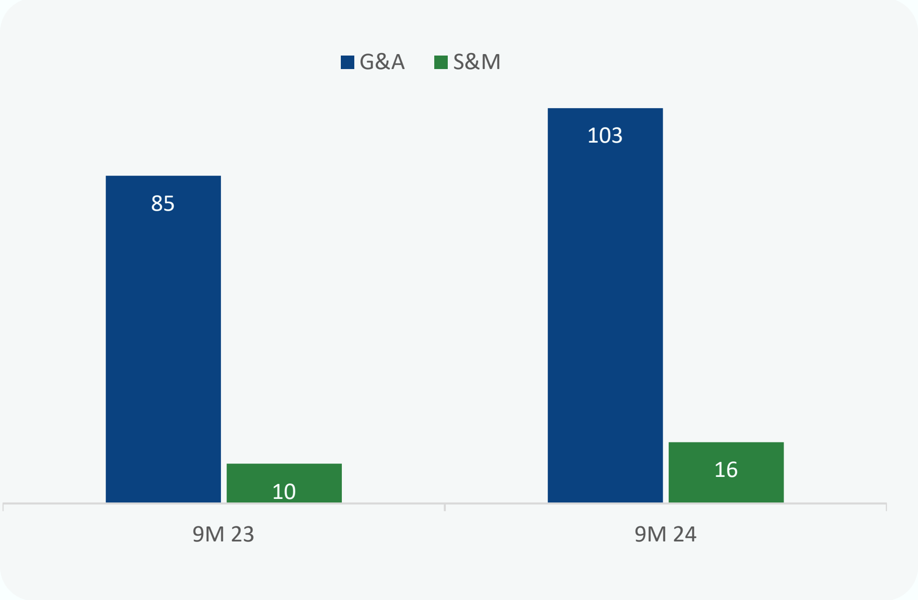


G&A

G&A increased by 21% mainly driven by the investment in digitalization initiatives and personal.

S&M

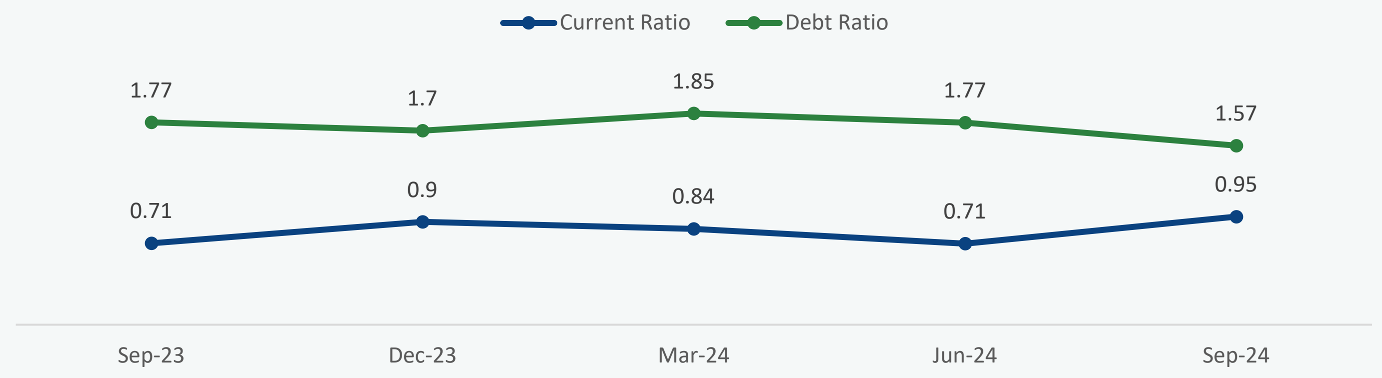
S&M increased by 55% mainly driven by more investment in marketing, support the pre-opening campaigns, and mass participation events.



All Amounts in million (SAR)

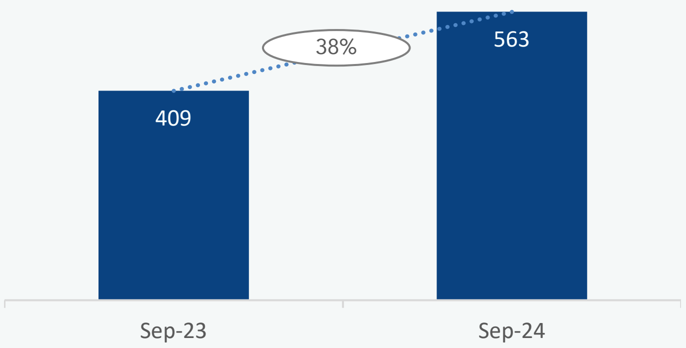
Strong financial position, solid returns, and acceptable leverage level

- The increase in deferred revenue of 38% came as result of the company successful sale during Q3 campaigns along with focus efforts and the consistent growth in membership numbers observed across all segments.
- The significant increase in cash and equivalents came as result of increase in subscriptions sales along with the sale of 3 lands in Riyadh.
- The decrease in loans was due to the continuation of repayment as per loan schedule.
- With a healthy 1.57 debt to equity ratio, the company enjoying a strong balance sheet.

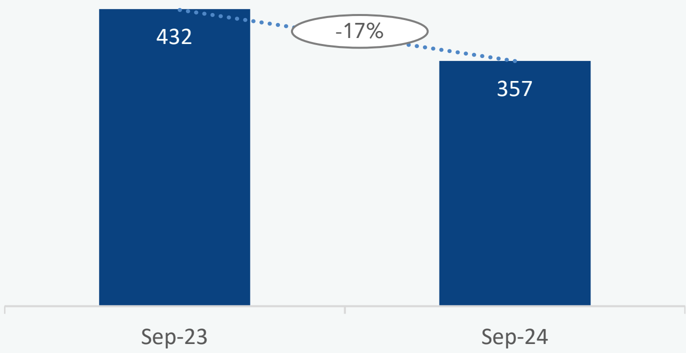


- Current Ratio=Total CA / (TCL-Deferred Revenue)
- Debt Ratio=(Total Liability-Deferred Revenue)/Total Equity

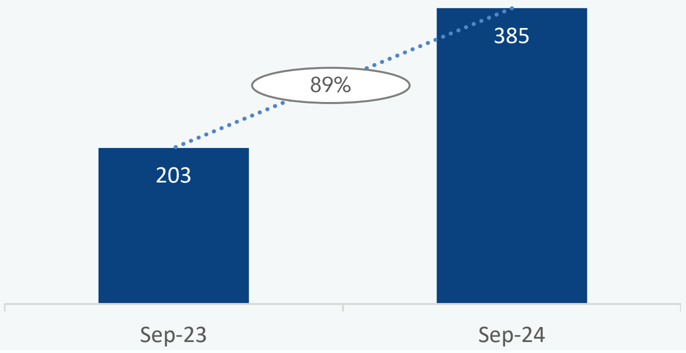
Deferred revenue



Loans

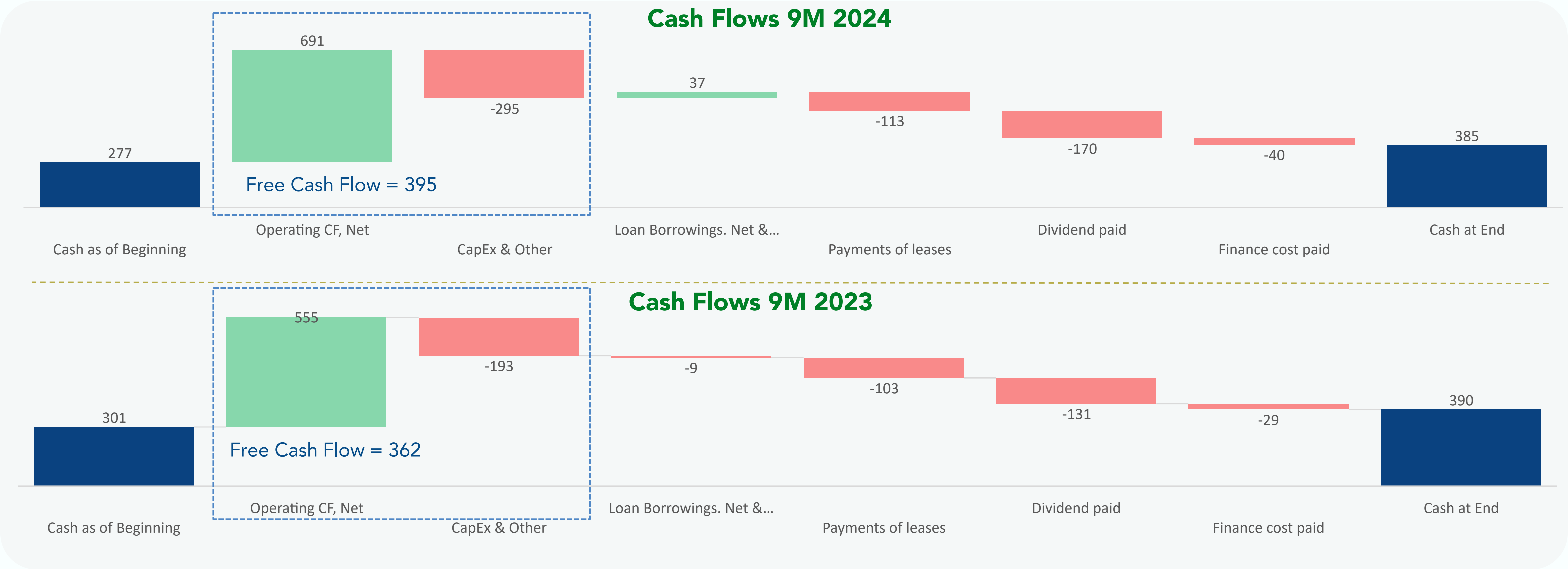


Cash and Cash Equivalents



All Amounts in million (SAR)

Strong cash generation with accelerated investment on expansion



Solid Operating Cash Flows:
25% increase in operation CFs demonstrates a strong operational performance with a cash inflow of SAR 691 million, generated by core business.

Increasing Investments:
CapEx more than doubled reaching SAR 295 million, 25% of which maintenance CapEx, mainly due to the growth in number of centers under construction in 9M 2024 compared LY.

Free Cash Flows:
Despite the investments cash flows growing by 53% during the 9M 2024 as results of planned increased in CapEx to support future growth, the company's FCF grew by 9%.

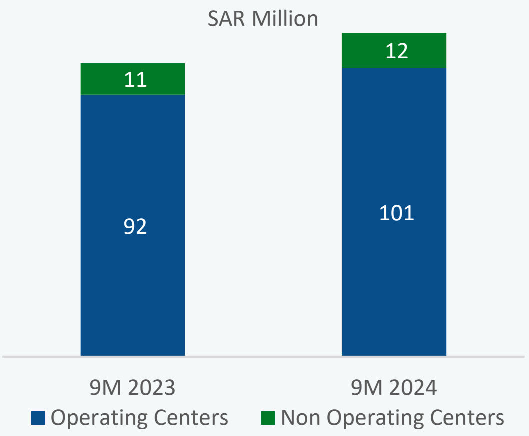
Financing Cash Flows:
The increased by 10% led by an increase of dividends, finance cost & lease payments offset by higher repayment of loans as scheduled compared to LY.

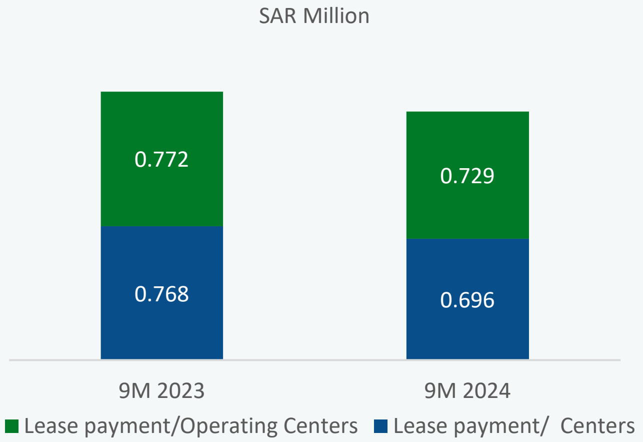
Shareholder Returns:
Continuing to pay 60% of distributable income to shareholders with dividends payments totaling SAR 131 million.

All Amounts in million (SAR)

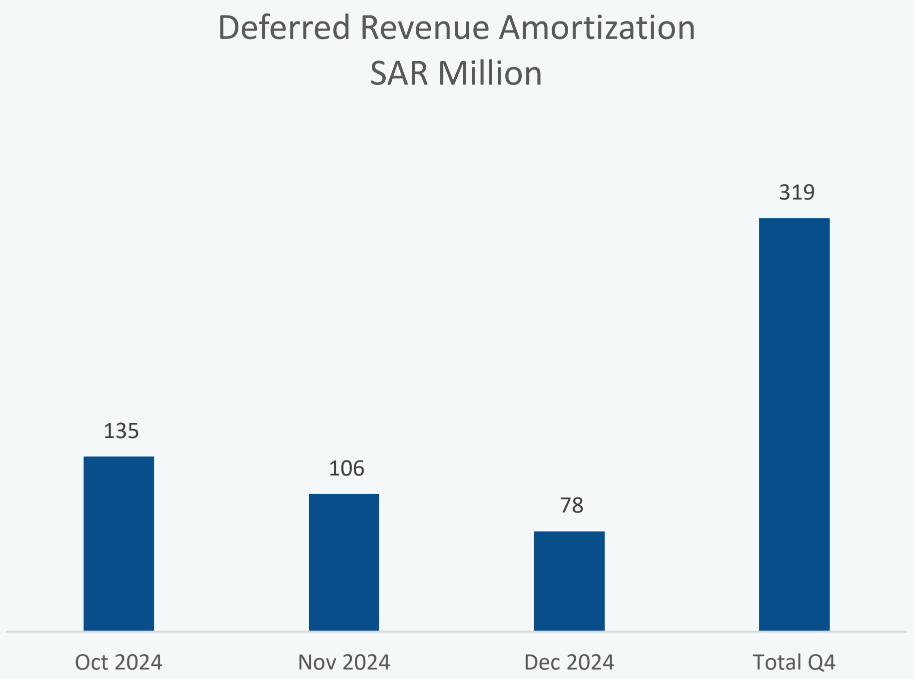
Strong Deferred revenue balance by end Sep-24 of which 57% will be recognized in Q4 2024

Lease Payments





Deferred Revenue Amortization



Lease Payments

- Lease payments were SAR 113 million during 9M 2024, from which SAR 12 million was related to new non-operating centers.
- Lease payment/center and lease payment/operational center decreased as result of introducing more Xpress and lower area locations.

Deferred Revenue Amortization

Deferred revenue balance stood at SAR 563 million, from which 319 would be amortized during Q4 2024

All Amounts in million (SAR)

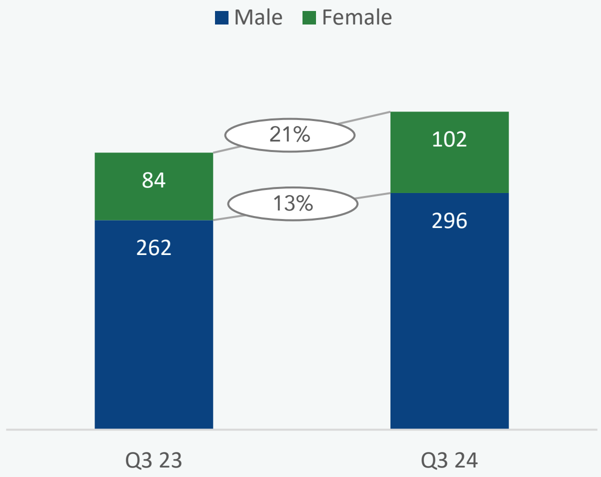
Segment performance

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

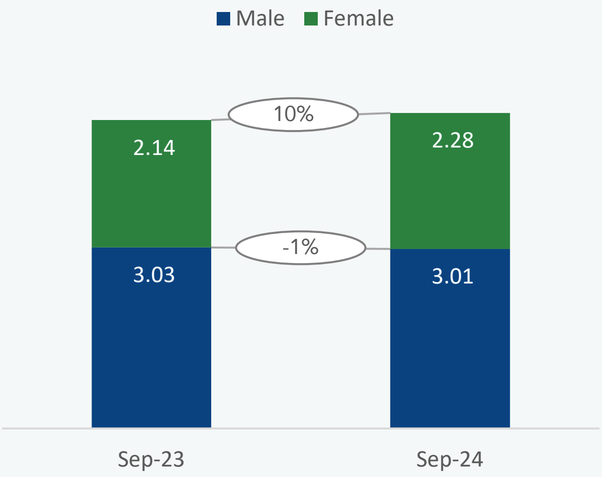
Male Segment
- Male segments continue to be the dominant segment and ending of Q3 2024 with 13% revenue growth.
- The segment Revenue/center and GP per center decreased by 1% and 7% respectively, which was led by the addition of 22 new Fitness Time male centers that is still under ramp up.

Female Segment
- Female segments continue its rebound ending of Q3 2024 with 21% revenue growth.
- The segment Revenue/center and GP per center grow by 10% and 6% respectively.

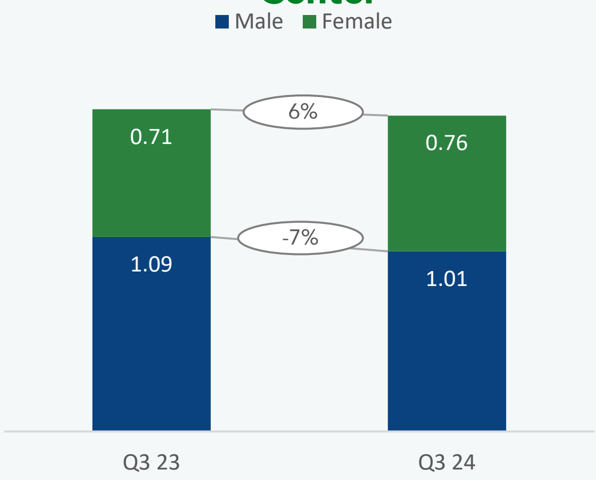
Gender Segments Revenue



Segments' Revenue Per Center



Segments' Gross Profit Per Center



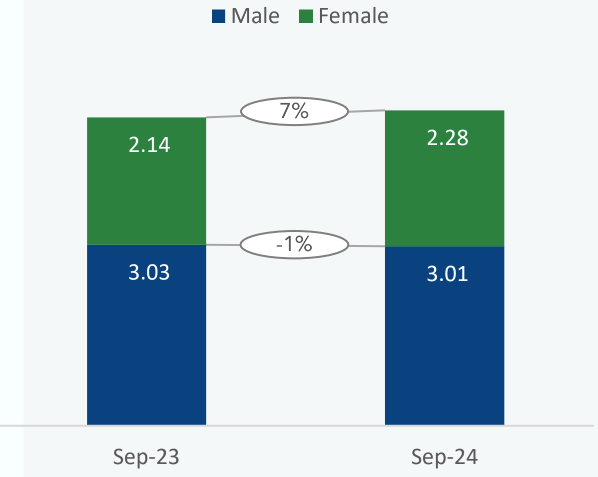
All Amounts in million (SAR) Growth Rate

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

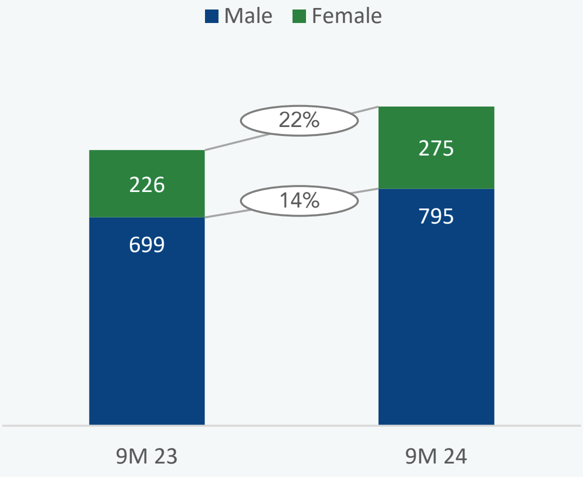
Male Segment
- Male segments continue to be the dominant segment and ending of Q3 2024 with 14% revenue growth, with Member/center increasing by 7% during the period compared to LY.
- The segment Revenue/center was stable and GP per center decreased by 1% as a direct result of the addition of 22 new Fitness Time male centers that is still under ramp up.

Female Segment
- Female segments continue its growth for the 9M 2024 with 22% revenue growth, with Member/center increasing by 7% during the period compared to LY.
- The segment Revenue/center and GP per center grow by 11% and 12% respectively,.

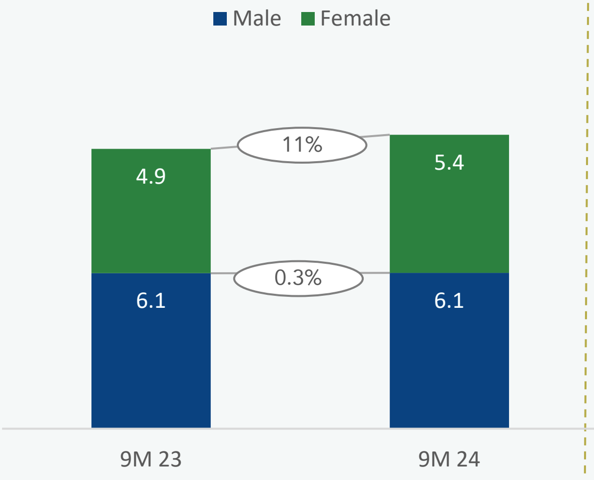
Members per Center



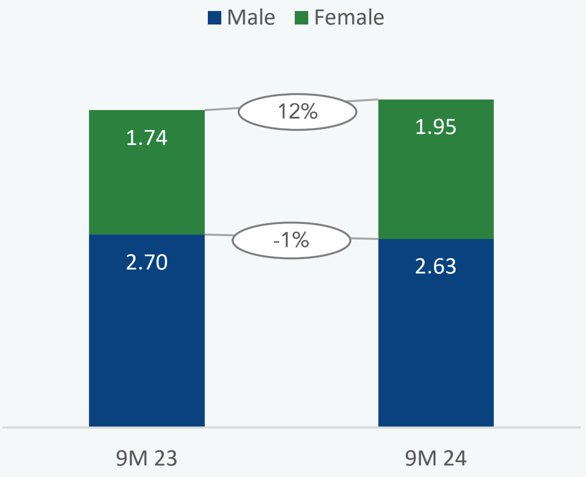
Segments Revenue



Segments Revenue Per Center



Segments' Gross Profit Per Center



All Amounts in million (SAR) Growth Rate

Outlook

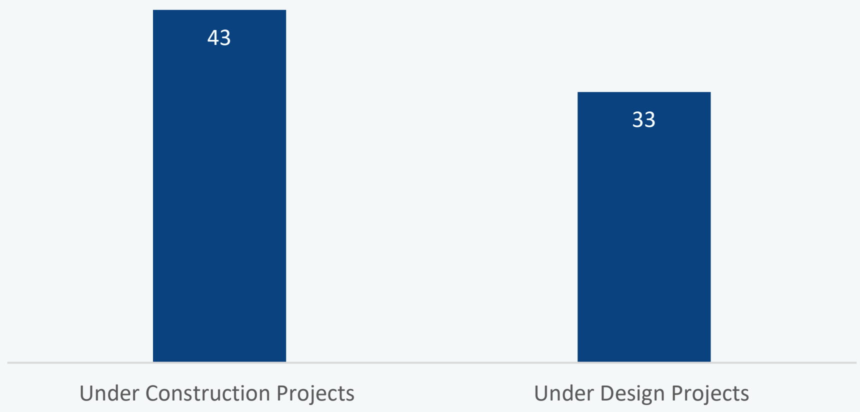
Tentative Guidance

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 by	Expected CAPEX (Range)
		30-Sep-24	31-Dec-24	SAR M / Center
Xpress	Female	5	5	4 to 7.5
	Male	36	35 - 38	
Big Box	Female	50	58 - 63	15 to 20
	Male	101	110 - 115	
Concept Studios		14	15	1 to 2.5
Academies		5	6	TBD
Total		211	222 - 235	-

Projects Pipeline as of Q3 2024



Q&A

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

Appendix

Q3 2024 P&L

SAR	9M 2024	9M 2023
Revenue	**1,092,959,793**	926,958,086
Cost of revenue	**-643,923,610**	-534,120,914
GROSS PROFIT	**449,036,183**	392,837,172
General and administrative expenses	**-102,975,656**	-85,316,928
Advertising and marketing expenses	**-15,974,519**	-10,334,833
Allowance for expected credit losses	**-1,881,815**	-948,729
OPERATING PROFIT	**328,204,193**	296,236,682
Gain on disposal of property and equipment	**92,387,241**	-
Other (expense) / income, net	**4,403,660**	1,548,096
Gain on lease modification	**8,998,700**	-
(Loss)/gain on lease termination	**4,011,232**	2,312,034
Reversal of impairment of non-financial assets	**4,733,842**	-
Write-off of non-financial assets, net	**-8,746,066**	-13,734,415
Finance costs	**-71,703,298**	-62,648,669
Share in net results of investment in an associate	**-5,760,846**	-
Profit from short term Murabaha	**7,046,842**	10,048,383
PROFIT BEFORE ZAKAT	**363,575,500**	233,762,111
Zakat and income tax	**-9,684,898**	-6,445,405
PROFIT FOR THE PERIOD	**353,890,602**	227,316,706
NET PROFIT ATTRIBUTABLE TO:		
Equity holders of the parent company	**354,557,316**	227,316,706
Non- Controlling Interests	**-666,714**	-
	353,890,602	227,316,706
EARNINGS PER SHARE		
Basic and diluted earnings per share	**6.77**	4.34

9M 2024 P&L

SAR	Q3 2024	Q3 2023
Revenue	**405,740,047**	348,214,831
Cost of revenue	**-232,403,191**	-188,274,074
GROSS PROFIT	**173,336,856**	159,940,757
General and administrative expenses	**-40,372,325**	-29,364,670
Advertising and marketing expenses	**-3,787,563**	-3,589,887
Allowance for expected credit losses	-	-502,901
OPERATING PROFIT	**129,176,968**	126,483,299
Gain on disposal of property and equipment	**92,387,241**	-
Other (expense) / income, net	**-517,173**	731,429
Gain on lease modification	-	-
(Loss)/gain on lease termination	**-1,792,198**	2,312,034
Reversal of impairment of non-financial assets	-	-
Write-off of non-financial assets, net	-	-13,734,415
Finance costs	**-26,272,825**	-24,129,160
Share in net results of investment in an associate	**-2,121,009**	-
Profit from short term Murabaha	**952,929**	3,180,164
PROFIT BEFORE ZAKAT	**191,813,933**	94,843,351
Zakat and income tax	**-5,016,993**	-2,660,332
PROFIT FOR THE PERIOD	**186,796,940**	92,183,019
NET PROFIT ATTRIBUTABLE TO:		
Equity holders of the parent company	**187,134,560**	92,183,019
Non- Controlling Interests	**-337,620**	-
	186,796,940	92,183,019
EARNINGS PER SHARE		
Basic and diluted earnings per share	**3.57**	1.76

All Amounts in million (SAR)

Thank You