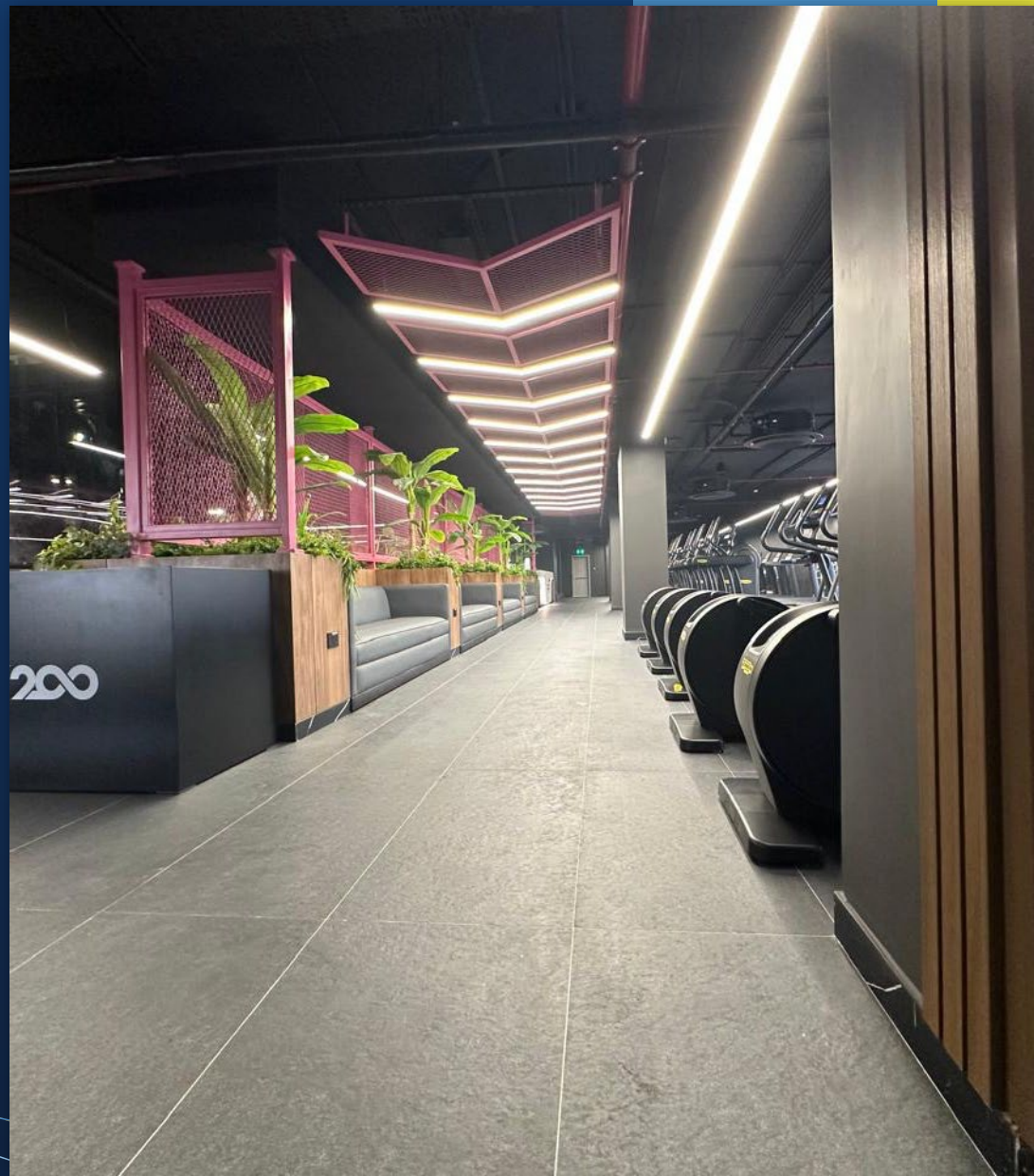


Earnings Presentation

Q1 2025



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Executive Summary



Revenue grew in Q1 2025 with 30 new center added vs. 2024 pressuring margins, LFL margins still strong

**Q1
2025**


369 +8%

Revenue


130 (6%)


Gross Profit


89 (9%)

Operating Profit


172 +2%

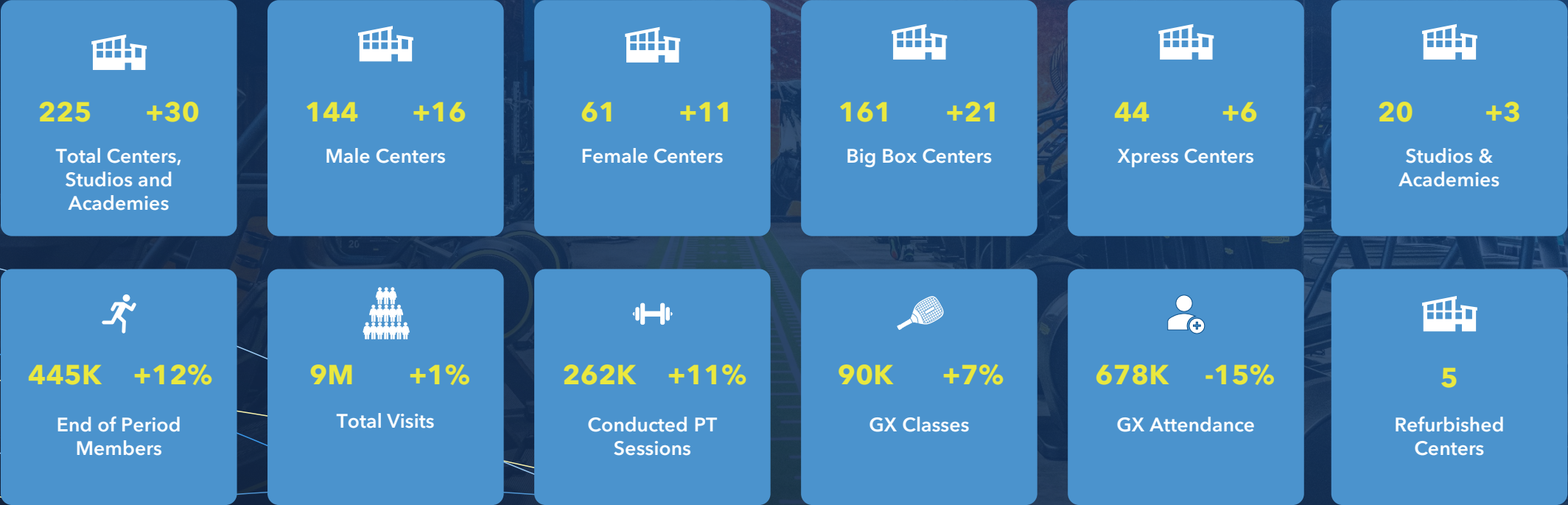
EBTIDA


71 (25%)





Net Profit

SAR Million

Members count and activities remain strong despite Q1 being slow



Comprehensive Coverage Across the Fitness Market, with Dedicated Solutions for Every Market Segment

Premium Tier	Middle Tier	Low Cost, High Value	Concept Studios & Academies
			
4 <u>Centers</u>	157 <u>Centers</u>	44 <u>Centers</u>	20 <u>Centers</u>
4 Male Centers	101 Male Centers	39 Male Centers	12 Male Centers
0 Ladies' Centers	56 Ladies' Centers	5 Ladies' Centers	5 Ladies' Centers
			3 Kids Centers



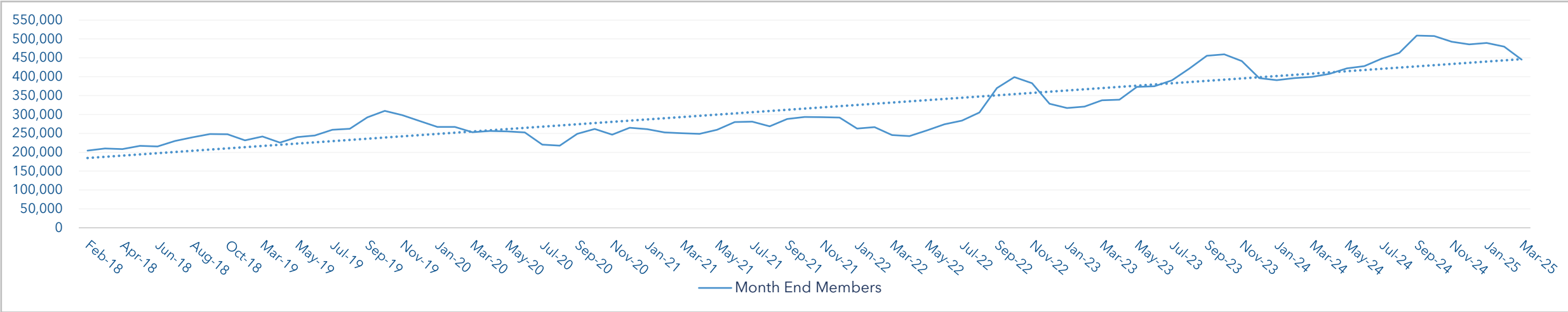
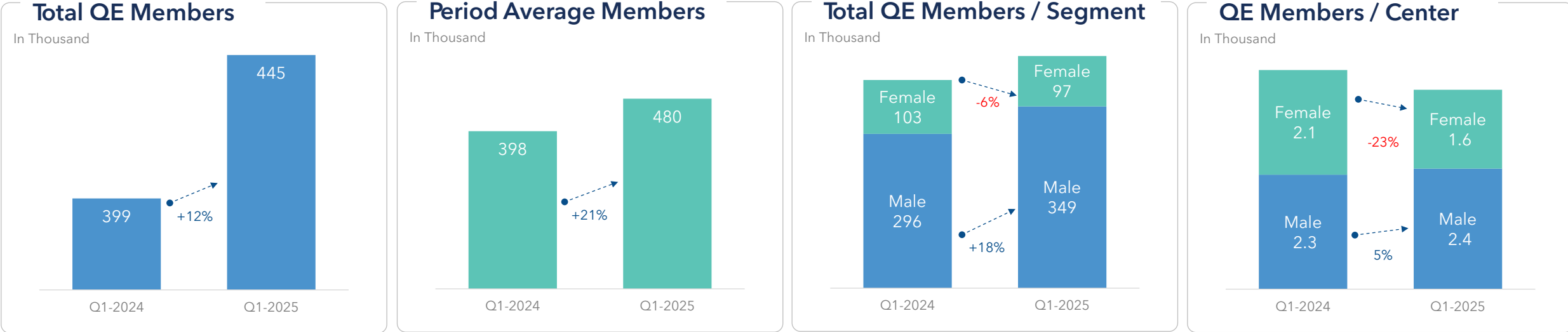
Network Expansion & Members Trend



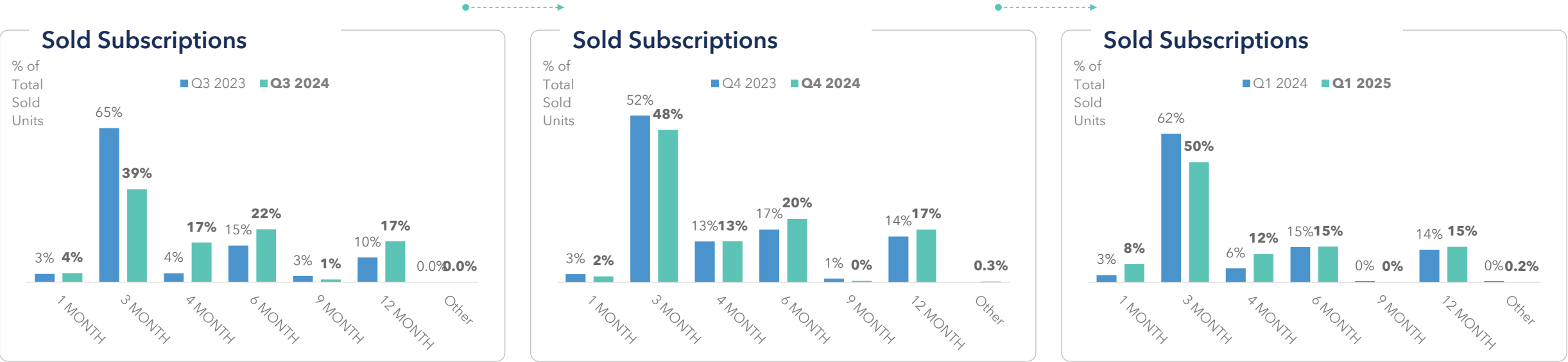
Center Movement During between Q1 2024 and Q1 2025



Memberships continue its growth fueled by center opening...



Subscription mix gradually returning to historical level of shorter durations



Key notes

- Leejam was successful in gradually changing the mix towards short-term subscriptions from the fourth quarter of 2024, although its effect will be noticeable in the 2nd half of the year.
- A similar trend to membership count, a 10% increase in total unit sold during Q1 2025 vs Q1 2024.

Financial Review



Financial Performance (Consolidated)

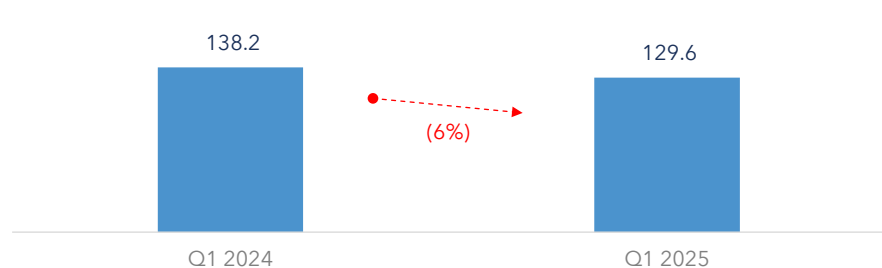
REVENUE

In Millions SAR



GROSS PROFIT

In Millions SAR



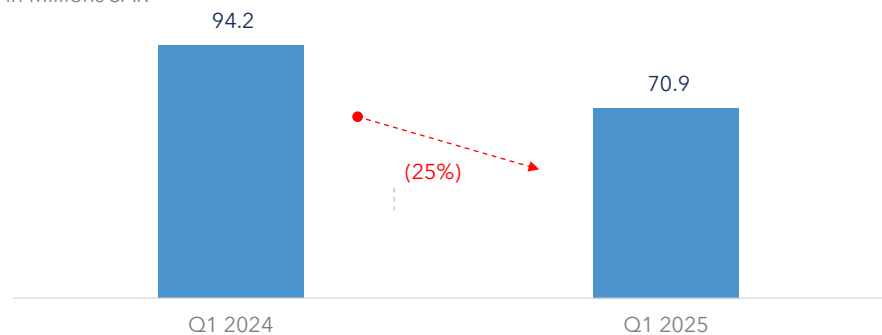
EBITDA

In Millions SAR



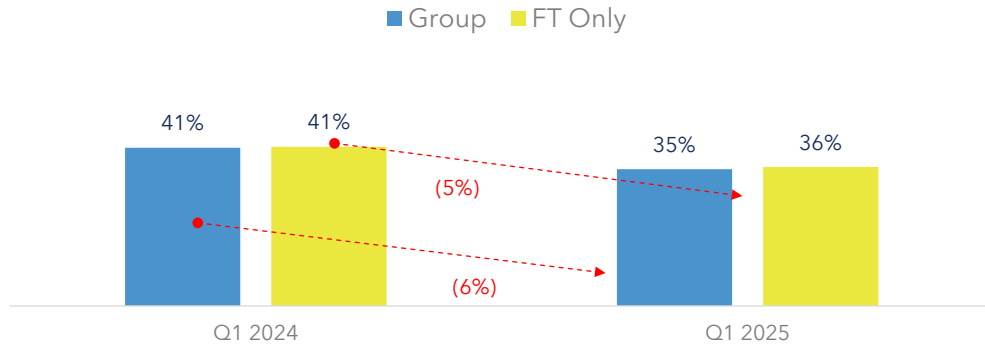
NET PROFIT*

In Millions SAR

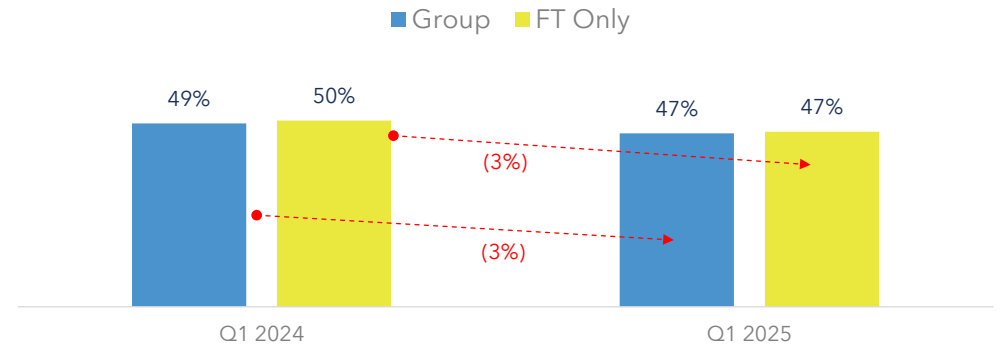


Financial Margins

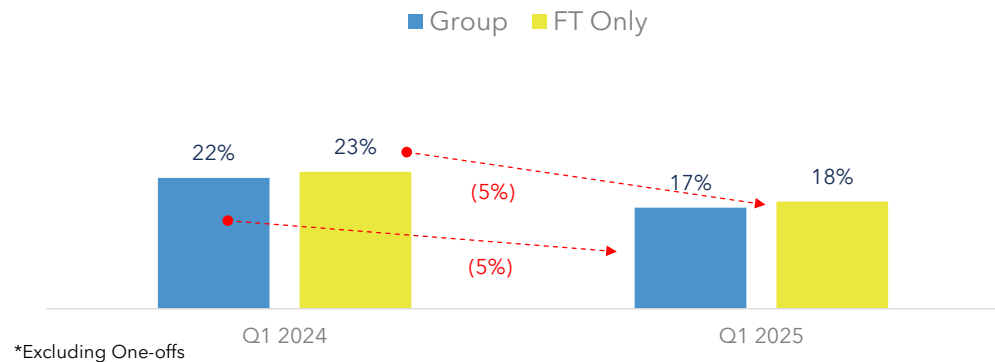
GROSS PROFIT MARGIN



EBITDA MARGIN



NET PROFIT MARGIN*

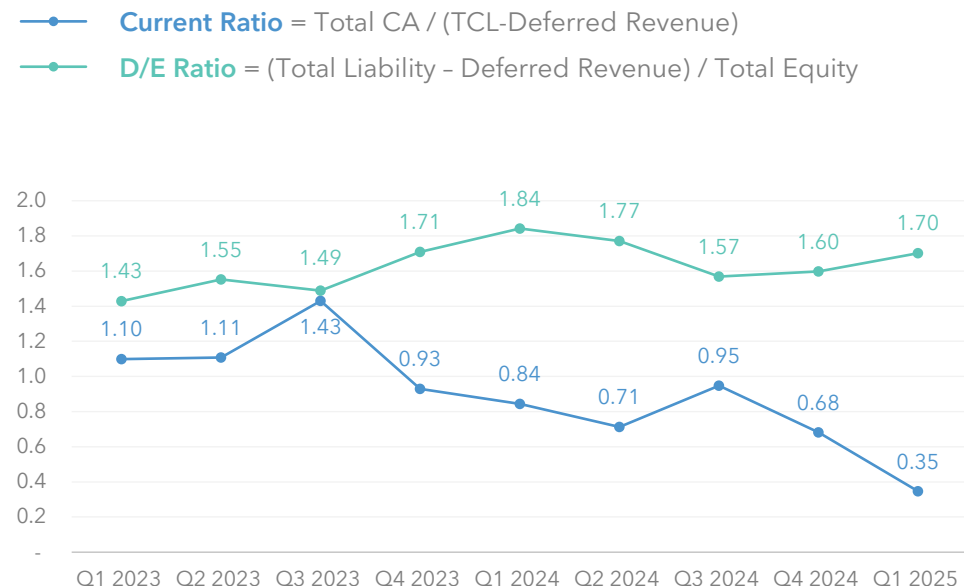


- New centers are **performing as anticipated** and will need to go through the typical ramp up period 18-24 months.
- Continued commercial/operational tactics to **ease pressure on margin**.

- **Pressure on margins** continues due to **record openings** in 2024.
- Margin pressure to soften as **pace of openings slows**.

Strong financial position, solid returns, and low leverage level

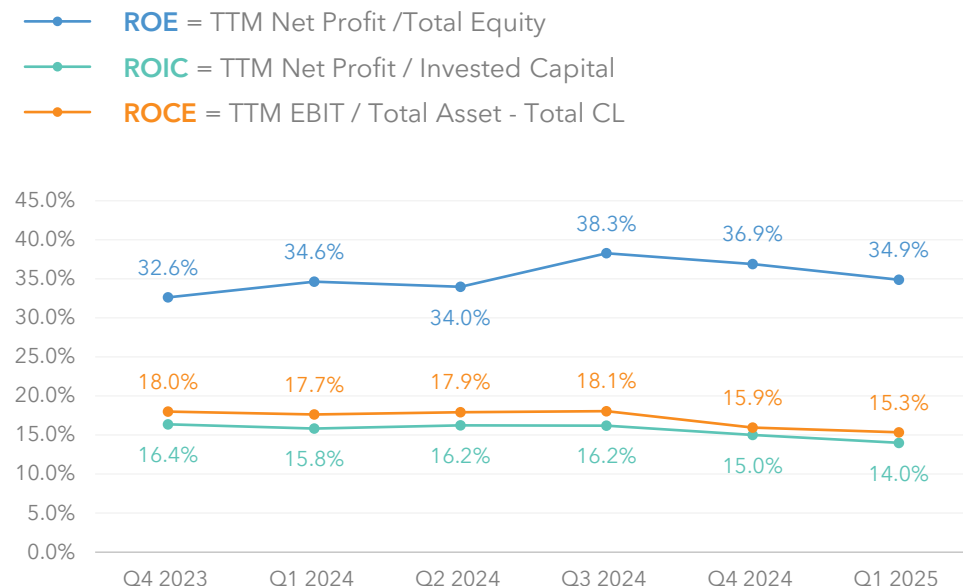
CR & DEBT RATIOS



Key notes

- The group maintains relatively low leverage with enough room for more debt to fund its future expansion

ROE, ROIC, ROCE

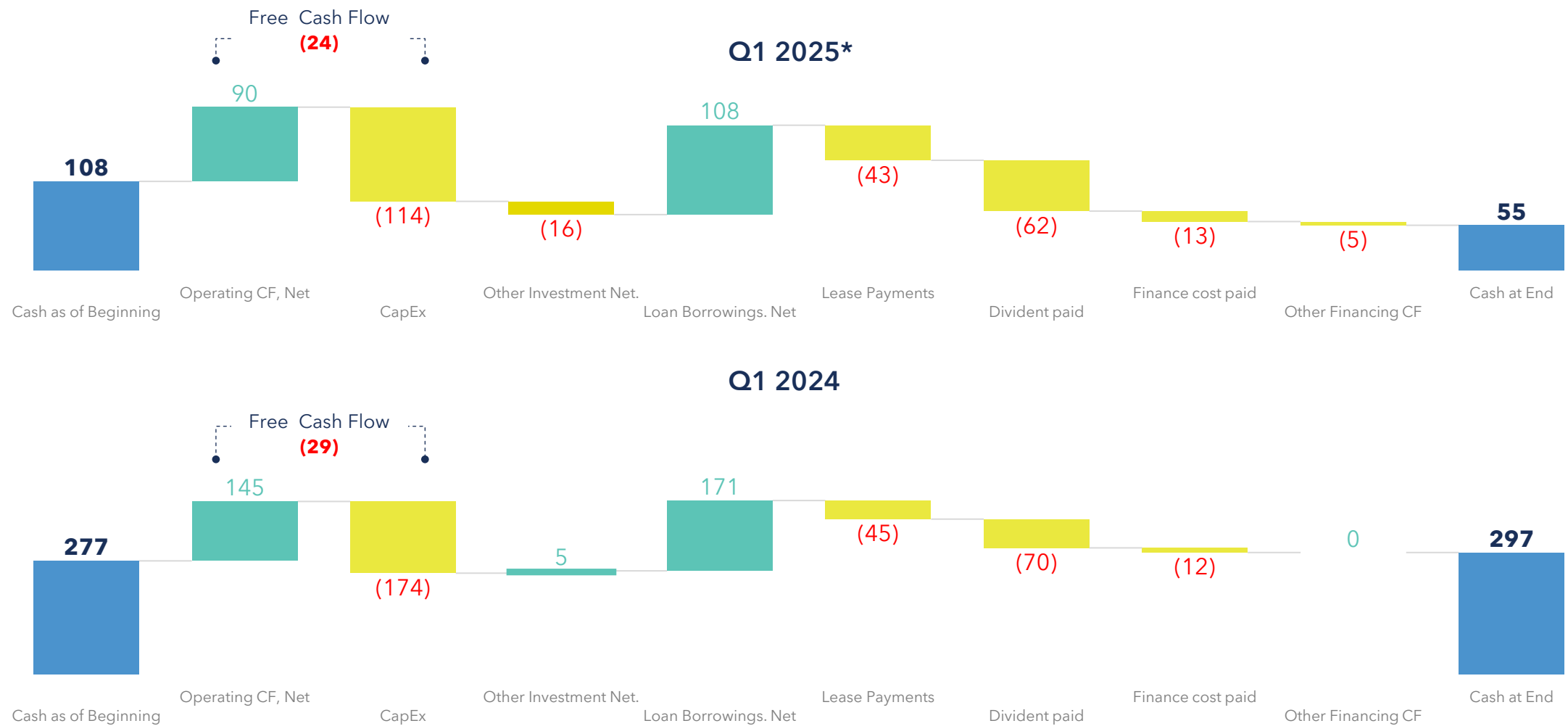


Key notes

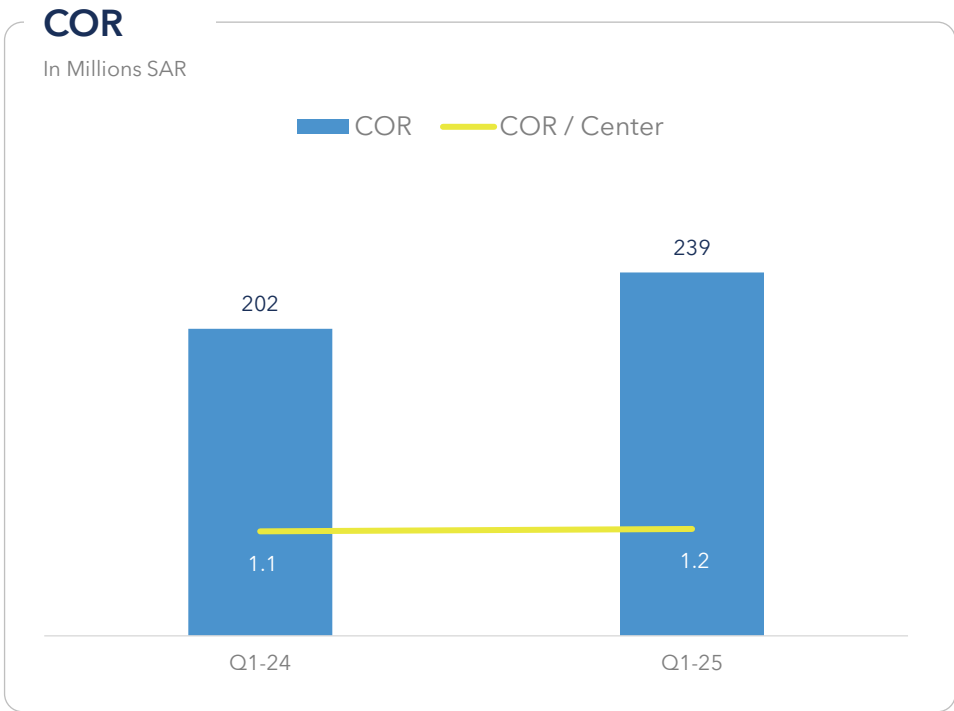
- Group's returns maintain healthy levels amid pressure from expansion

Healthy cash flows, despite high capex and dividends

All Amounts in million (SAR)

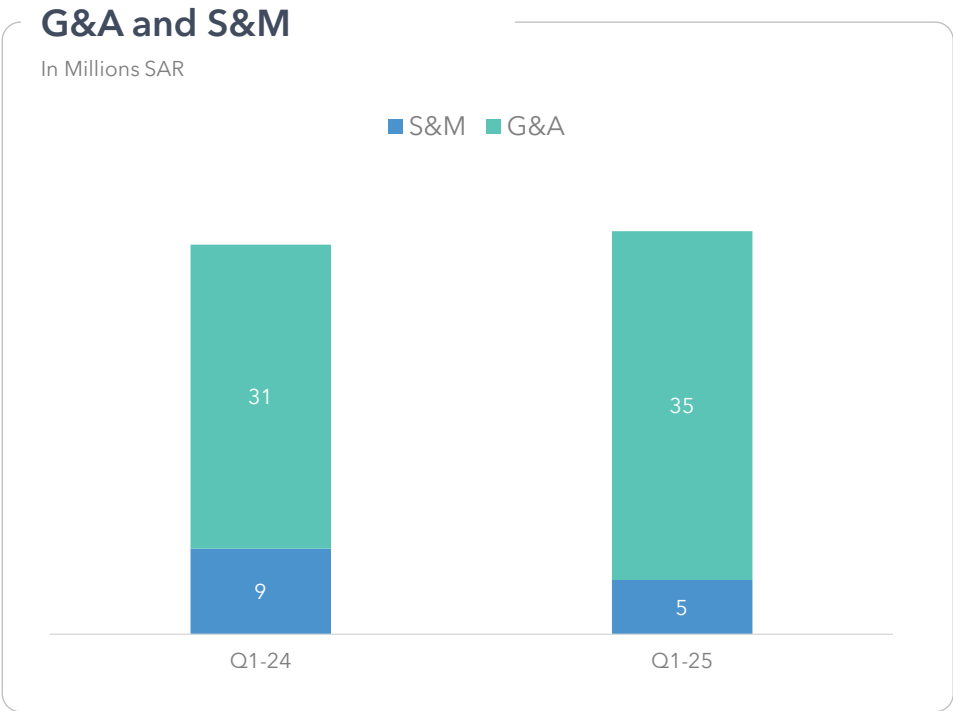


Q1 2025 COR, G&A and S&M



Key notes

- An increase of 17% in overall cost of revenue compared to Q1 2024 due to the net addition of 30 centers during the last 12 months.
- COR per center increased slightly by 2%, on the back of rising Saudi Trainers Program, center refurbishments and maintenance.



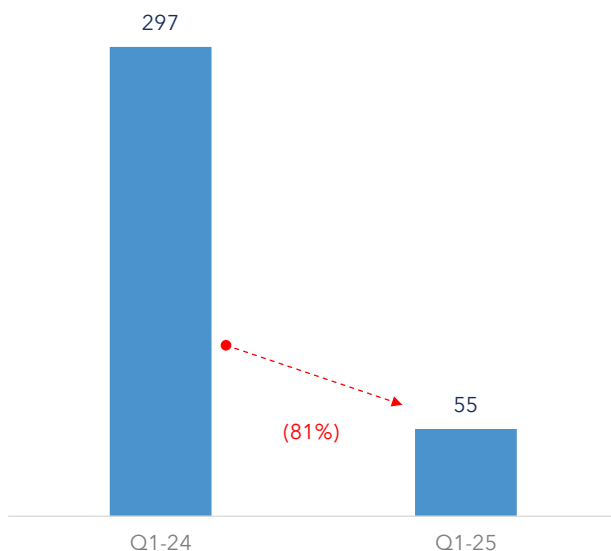
Key notes

- An increase in G&A and S&M expenses by 6% due to:
- Investments in high-caliber talent
 - Digital transformation projects
 - Organizational development initiatives

Strong financial position to fund future expansion

Cash & CE*

In Millions SAR

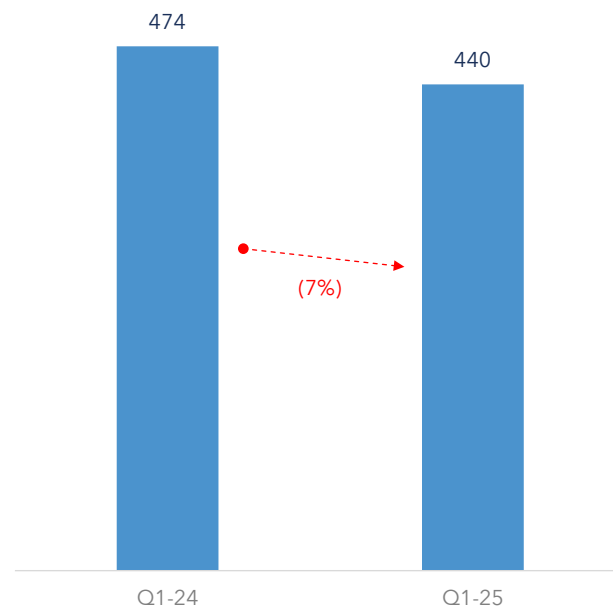


Key notes

- Record CapEx, and dividend payments drove cash & CE down 82% compared to Mar-24.

Loans

In Millions SAR

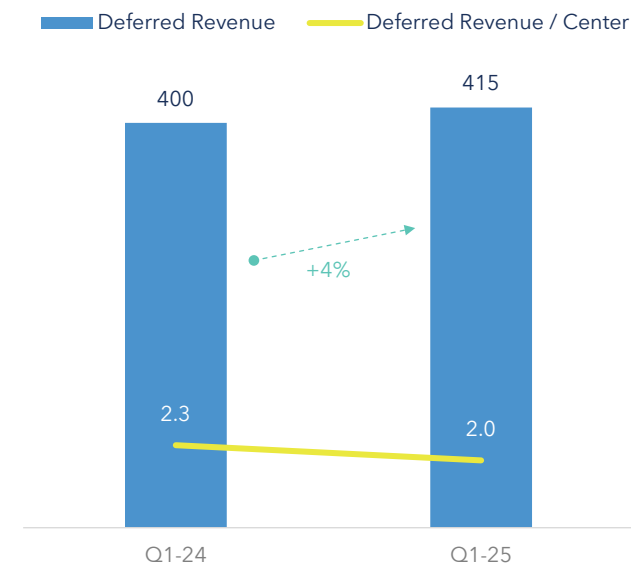


Key notes

- Loans decreased by 7%, as a big portion of the capex were funded by own cash.

Deferred Revenue

In Millions SAR



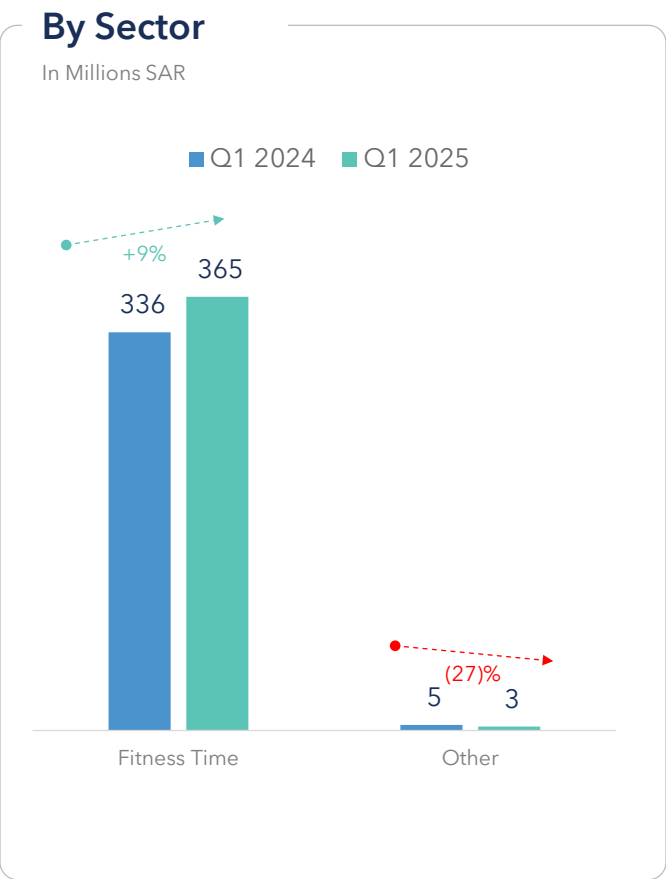
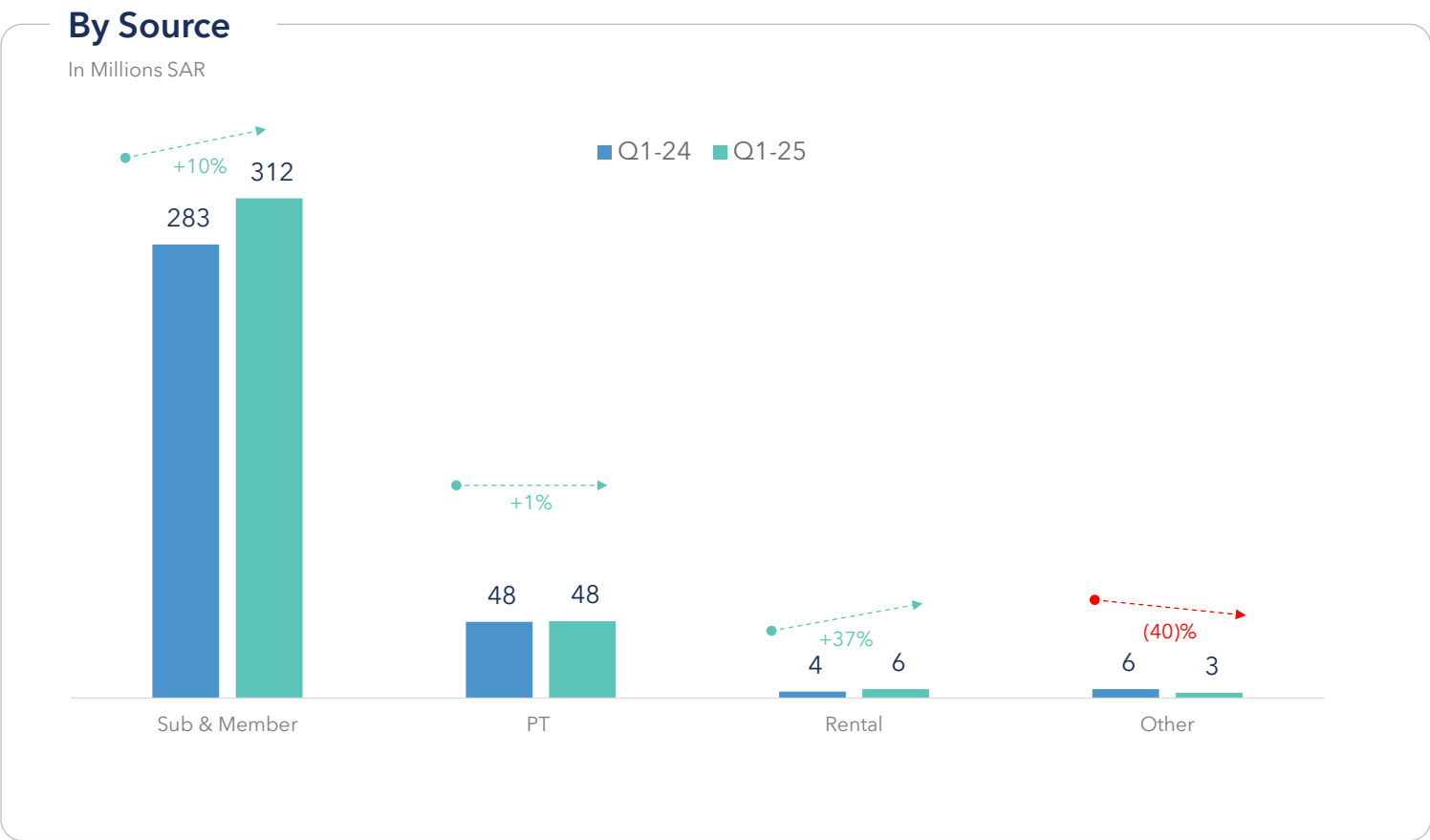
Key notes

- Deferred revenue increased by 4% driven by the increase in number of members despite returning to shorter term subscription mix.
- Yet, deferred revenue per center decreased by 10%, due to subscription mix.

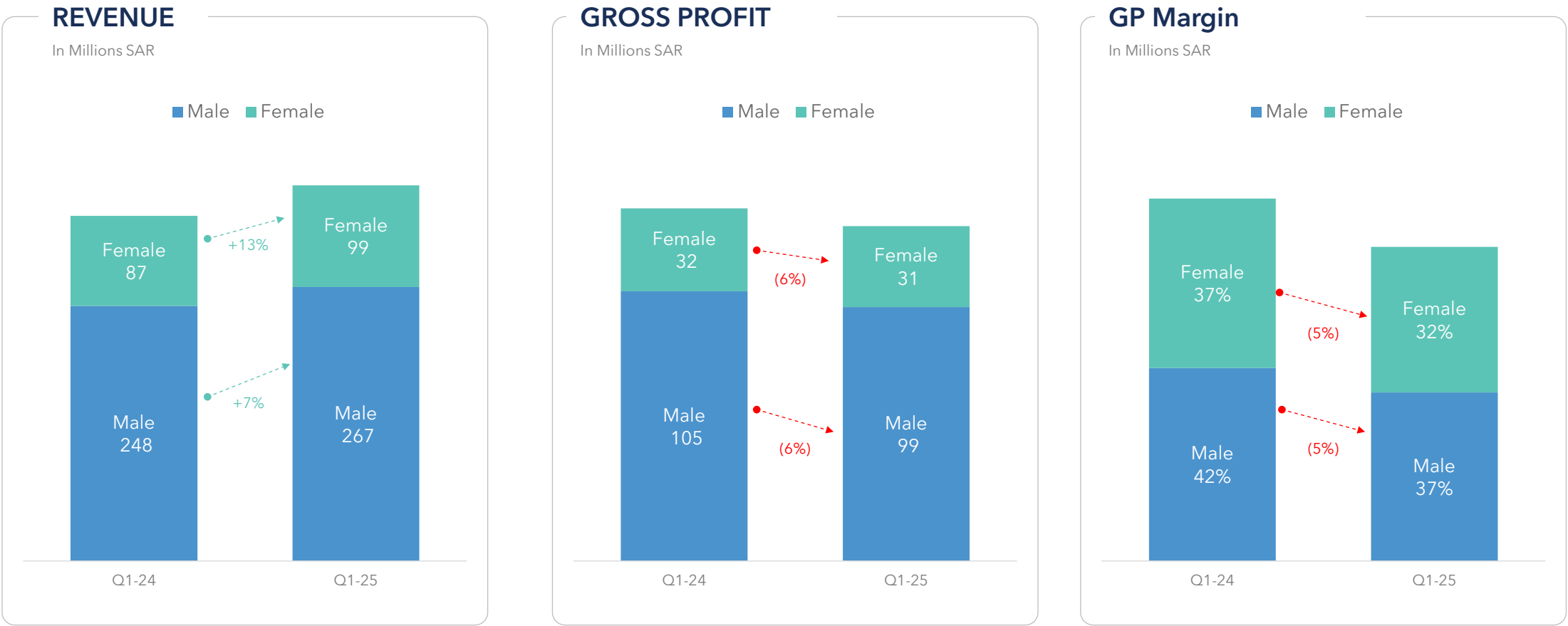


Segmental Performance

Segment Performance - Source



For Fitness Time, Female segment showed strong growth while male segment dominates, margins affected by record openings in 2024

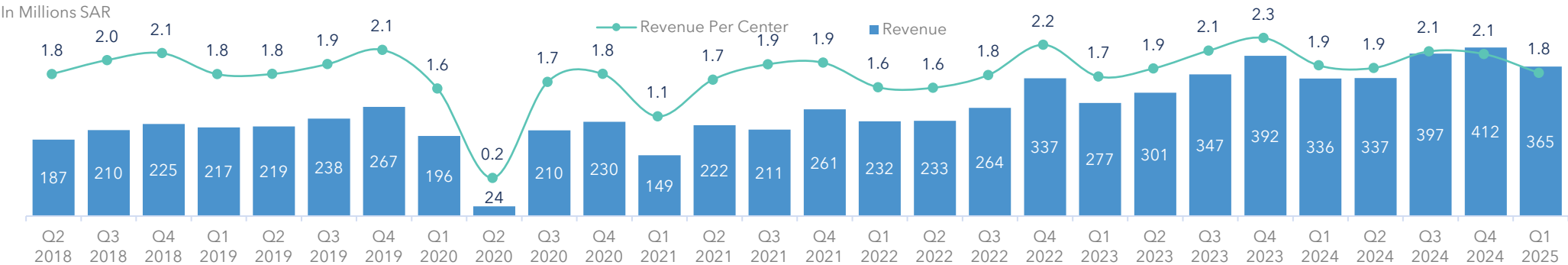




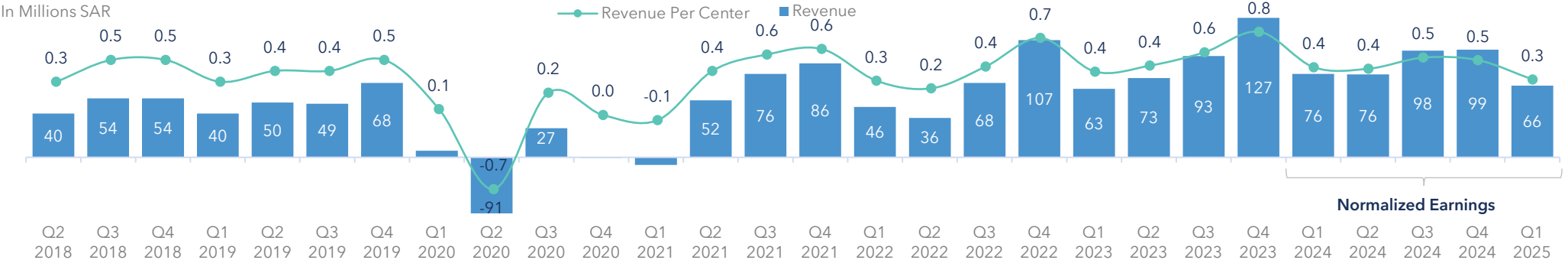
Performance per Center

Fitness Time Only per Center Performance

REVENUE vs REVENUE PER CENTER



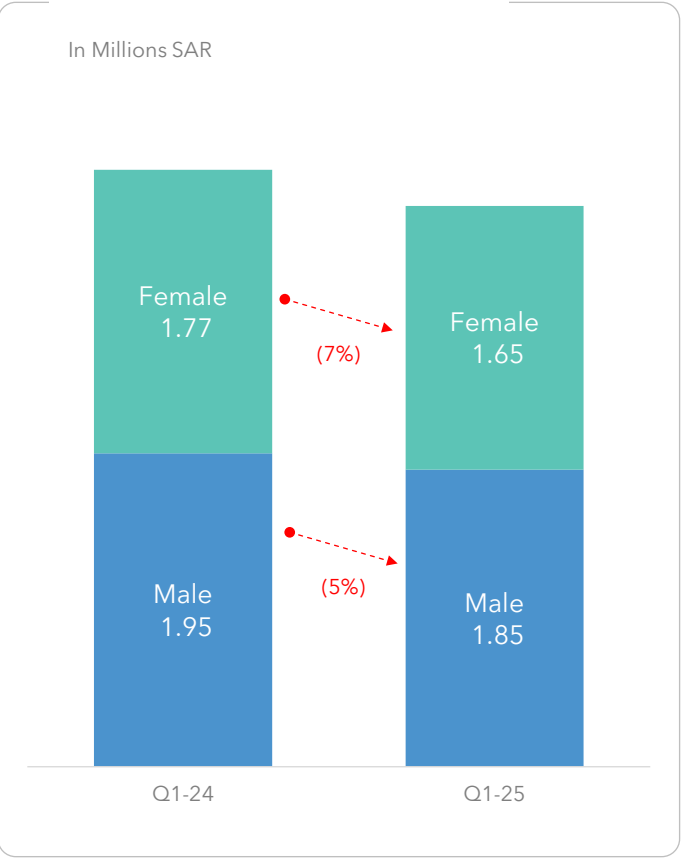
NET INCOME vs NET INCOME PER CENTER



Decline in per center KPIs as new centers still in the ramp-up phase.

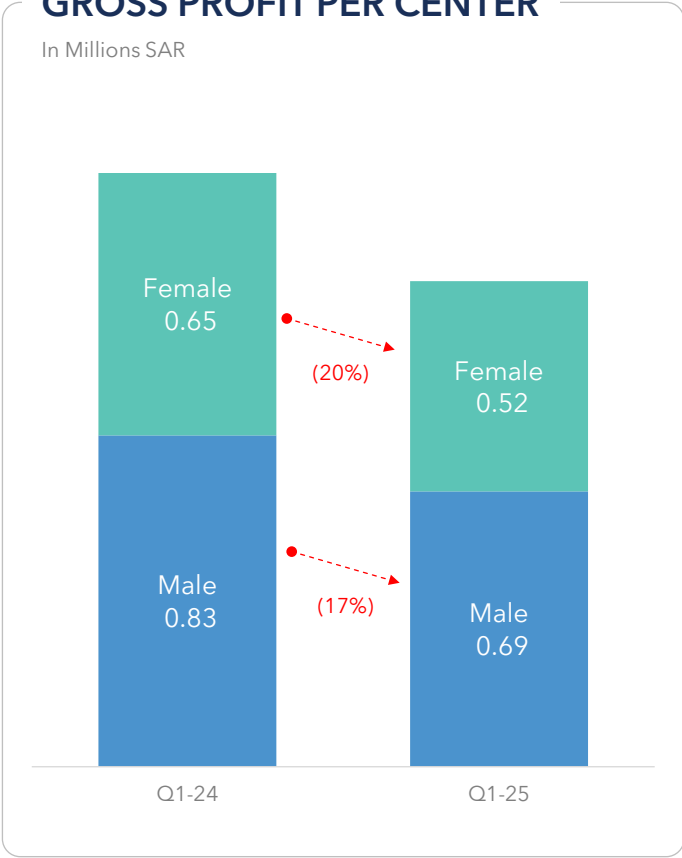
REVENUE PER CENTER

In Millions SAR

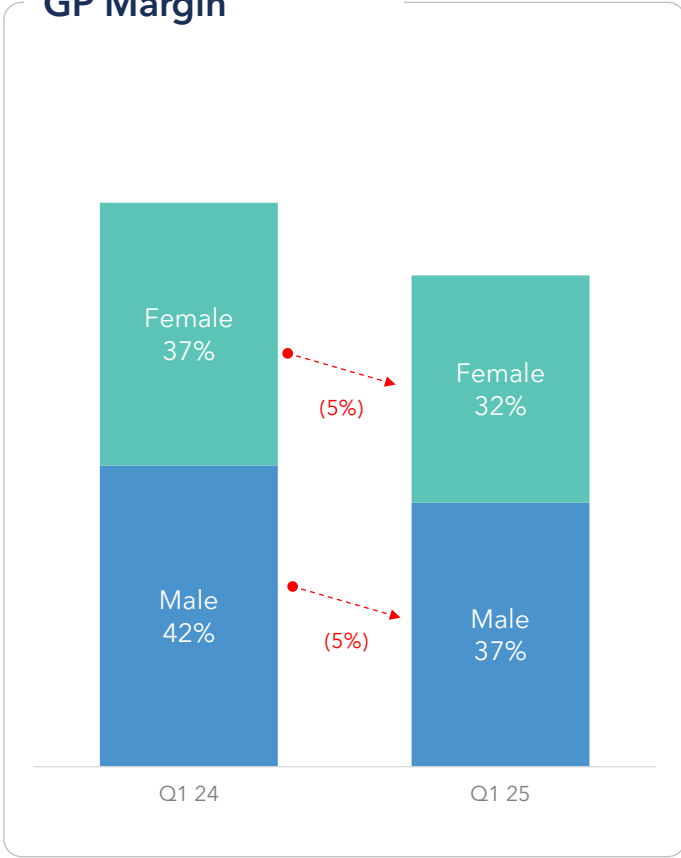


GROSS PROFIT PER CENTER

In Millions SAR



GP Margin



Outlook



Balance Sheet

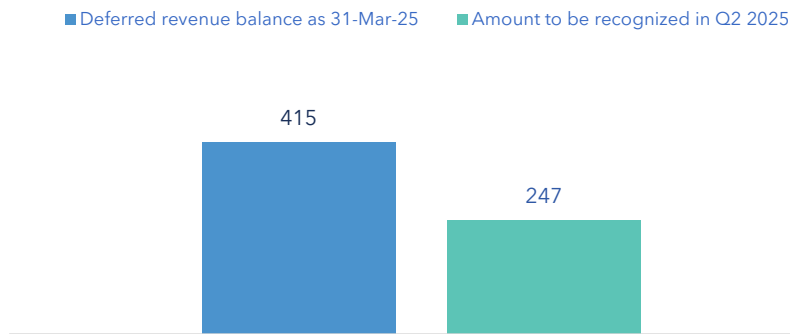
2025 growth will be driven by:

- Price driven growth in LFL centers.
- Volume driven growth in Non-LFL Centers
- Improving customer experience, member retention & services
- Further new centers openings
- Continuing focus/growth on Corporate wellness & PT business

Category		Current (Centers)	Expected Openings during 2025	Expected CAPEX (Range)
		31-Mar-25		SAR M / Center
Xpress	Male	39	4-6	4 to 7.5
	Female	5	0	
Big Box	Male	105	13-16	15 to 20
	Female	54	15-17	
Total		225	32-39	-

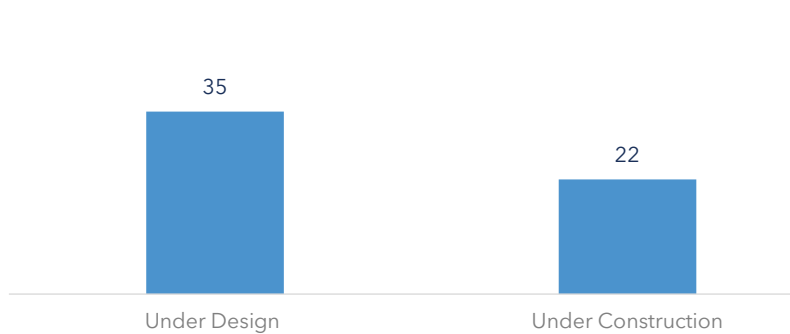
Deferred Revenue Pipeline

In Millions SAR



Project Pipeline (As of March 31, 2025)


No. of Centers



Appendix



Audited Financial Statements (Statement of P&L and OCI)

	Q1 2025	Q1 2024		Q1 2025	Q1 2024
					
Revenue	368,888,009	340,395,989	Net profit for the period	70,535,994	94,178,485
Cost of revenue	(239,259,172)	(202,154,507)			
GROSS PROFIT	129,628,837	138,241,482			
			Other comprehensive income		
General and administrative expenses	(35,053,026)	(30,549,068)	Item that will not be reclassified to statement of profit or loss in subsequent periods:		
Advertising and marketing expenses	(5,446,698)	(8,594,721)	Re-measurement of FVOCI	-	92,318
Allowance for expected credit losses	-	(949,761)			
			TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	70,535,994	94,270,803
OPERATING PROFIT	89,129,113	98,147,932			
			TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Other (expense) income	(23,491)	4,866,823	Equity holders of the parent company	70,887,232	94,312,968
Gain on lease modification	-	8,998,700	Non- Controlling Interest	(351,238)	(42,165)
Reversal of impairment of non-financial assets	8,394,169	4,733,842			
Finance cost	(22,733,019)	(22,161,045)		70,535,994	94,270,803
Share in net results of investment in an associate	(2,406,795)	(1,713,567)			
Profit from short term Murabaha	49,728	3,493,561			
PROFIT BEFORE ZAKAT AND INCOME TAX	72,409,705	96,366,246			
Zakat and income tax	(2,073,711)	(2,706,817)			
PROFIT FOR THE PERIOD FROM CONTINUED OPERATION	70,335,994	93,659,429			
Profit from the Discontinued Operation	200,000	519,056			
PROFIT FOR THE PERIOD	70,535,994	94,178,485			
NET PROFIT ATTRIBUTABLE TO:					
Equity holders of the parent company	70,887,232	94,220,650			
Non- Controlling Interests	(351,238)	(42,165)			
	70,535,994	94,178,485			
EARNINGS PER SHARE					
Basic and diluted, attributable to shareholders of the parent company	1.36	1.80			
Basic and diluted, from continuing operations attributable to shareholders of the parent company	1.36	1.79			

Audited Financial Statements (Statement of financial position)



	31 March 2025	31 December 2024
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	2,133,654,496	2,057,689,844
Right-of-use assets	1,283,880,660	1,253,059,878
Intangible assets	8,701,539	8,382,827
Investment in associate	9,208,085	8,728,731
Goodwill	8,289,905	8,289,905
Financial assets at fair value through other comprehensive income (FVTOCI)	4,892,318	4,892,318
Advances to suppliers and contractors	111,543,595	99,334,520
TOTAL NON- CURRENT ASSETS	3,560,170,598	3,440,378,023
CURRENT ASSETS		
Inventories	23,560,269	24,321,491
Prepayments and other current assets	74,979,087	87,963,593
Trade receivables	23,834,375	26,024,581
Cash and cash equivalents	52,959,594	106,103,887
TOTAL CURRENT ASSETS	175,333,325	244,413,552
Assets classified as held for sale	36,307,912	36,142,123
TOTAL ASSETS	3,771,811,835	3,720,933,698
EQUITY AND LIABILITIES		
EQUITY		
Share capital	523,833,610	523,833,610
Treasury shares	(27,148,828)	(22,626,657)
Retained earnings	741,234,868	732,030,058
Fair value reserve of financial assets at FVOCI	92,318	92,318
EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY	1,238,011,968	1,233,329,329
Non-controlling interests	4,643,023	4,994,261
TOTAL EQUITY	1,242,654,991	1,238,323,590



	31 March 2025	31 December 2024
NON-CURRENT LIABILITIES		
Borrowings	197,578,742	225,957,411
Lease liabilities	1,328,530,635	1,275,789,904
Employees' end of service benefits	68,757,696	65,945,056
TOTAL NON-CURRENT LIABILITIES	1,594,867,073	1,567,692,371
TOTAL CURRENT LIABILITIES	921,541,080	902,134,835
Liabilities classified as held for sale	12,748,691	12,782,902
TOTAL LIABILITIES	2,529,156,844	2,482,610,108
TOTAL EQUITY AND LIABILITIES	3,771,811,835	3,720,933,698

Audited Financial Statements (Statement of cash flows)



OPERATING ACTIVITIES

	Q1 2025	Q1 2024
Profit before zakat and income tax	72,409,705	96,366,246
Profit from discontinued operations	200,000	519,056
Adjustments to reconcile profit before zakat to net cash flows:		
Depreciation of property and equipment	51,649,166	41,969,740
Depreciation of right-of-use assets	30,358,093	27,205,070
Amortization of intangible assets	715,749	397,749
Allowance for expected credit losses	-	949,761
Finance costs	22,733,019	22,168,705
Reversal of impairment of non-financial assets	(8,394,169)	(4,733,842)
Profit from short term Murabaha	(49,728)	(3,493,561)
Gain on lease modification		(8,998,700)
Impairment of the Asset Held for Sale	300,000	-
Gain on disposal of property and equipment	-	(440,170)
Share in net results of investment in an associate	2,406,795	1,713,567
Provision for employees' end of service benefits	2,877,787	2,245,075
	175,206,417	175,868,696
Working capital changes:		
Inventories	761,222	(5,067,499)
Prepayments and other current assets	12,188,501	21,086,181
Trade receivables	2,174,416	(1,074,744)
Accounts payable	(5,420,628)	9,837,251
Accrued expenses and other current liabilities	(6,105,393)	(8,474,022)
Deferred revenue	(87,902,469)	(47,087,278)
Cash from operations	90,902,066	145,088,585
Employees' end of service benefits paid	(950,870)	(556,339)
Net cash from operating activities	89,951,196	144,532,246
INVESTING ACTIVITIES		
Property and equipment	(114,083,250)	(174,225,151)
Advances to suppliers and contractors	(12,209,075)	14,746,940
Intangible assets	(1,018,289)	(1,339,419)
Proceeds from short term Murabaha profit	129,561	2,799,167
Acquisition of a subsidiary	-	(7,141,772)
Proceeds from disposal of property and equipment	-	1,991,145
Investment in an associate	(2,886,149)	(5,839,260)
Net cash used in investing activities	(130,067,202)	(169,008,350)



FINANCING ACTIVITIES

	Q1 2025	Q1 2024
Proceeds from borrowings	137,000,000	261,374,500
Repayments of borrowings	(28,639,853)	(90,049,219)
Transaction with NCI	-	190,947
Finance cost paid	(12,617,334)	(11,527,054)
Dividend paid	(61,682,422)	(69,669,870)
Payment of lease liabilities	(42,616,507)	(45,307,991)
Treasury shares	(4,522,171)	-
Net cash (used in) from financing activities	(13,078,287)	45,011,313
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(53,194,293)	20,535,209
Cash and cash equivalents at the beginning of the period	108,404,878	276,810,098
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	55,210,585	297,345,307
<u>SIGNIFICANT NON-CASH TRANSACTIONS</u>		
Additions to right-of-use assets and corresponding lease liability	28,563,076	50,806,960
Interest on lease liabilities capitalized for under construction fitness centers	2,859,575	2,694,911

A background image of two men in a gym setting, shaking hands. The man on the left is bald with a beard, wearing a dark t-shirt. The man on the right has short hair and a beard, also in a dark t-shirt. They are both smiling. The gym equipment is visible in the background, and the overall lighting is dim with a blue tint.

Thank You!

Q&A

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