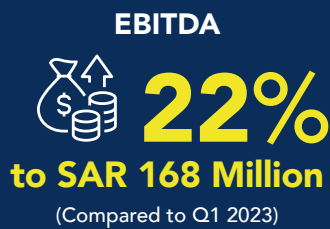




Q1 2024 Earnings Release

Leejam Posts Double Digit Year-on-Year Growth in Revenues, Net Profit and Membership for Q1 2024

Q1 2024



Leejam Posts Double Digit Year-on-Year Growth in Revenues, Net Profit and Membership for Q1 2024

Riyadh, Saudi Arabia, (date) 2024: Leejam Sports Company ('Leejam' or the 'Group') has reported double-digit revenue, net profit and membership growth for Q1 2024 which reached SAR 344 million and SAR 94 million and a 399 thousand members - an increase of 24%, 50%, and 20%, respectively, when compared to Q1 2023.

The Group's strong performance has been driven by growth in the number of members, an increase in the number of operating centers and the refurbishment of existing clubs. The latter represents the Group's strategy of consistently increasing the quality of its services, equipment and in-club experiences to retain and attract more members across its network.

Looking at the Group's source of revenue, the increase in Q1 2024 has been led primarily by Subscriptions & membership revenue growth, which achieved an increase of 19% in Q1 2024 and an increase of 49% in paid training programs, alongside rental and other income which grew by 92% compared to the same quarter of 2023.

Cost and Margins

Costs

Revenue costs increased in Q1 2024 by 21% compared to the same period in 2023 because of an increase in the number of operating centers in addition to the increase in number of members. In accordance with the Group's fixed cost model, the Group's growth in the cost of business will continue in direct correlation with the expansion of its network of centers.

Sales, marketing, general, and administration (SMG&A) costs increased by 30% compared to Q1 2023, driven largely by investments in IT and personnel, along with higher bank charges, driven by higher sales.

Margins

The gross profit margin increased in Q1 2024 compared to Q1 2023 by 134 basis points, driven by an increase in revenue. Meanwhile, the Group's EBITDA margin remained flat compared to Q1 2023 as a result of the effect of calculating the results of the investee companies, which are still under ramp up.

Despite an increase in finance costs Net income margin increased by 481 basis points, driven by an increase in operating profit and impact of a one-off income arising from a favorable rent negotiation of a previously impaired center in Ras Al Khaimah, UAE. The net income margin, after the exclusion of the one-off income, was 22%.

Business Segments Highlights

The number of operational clubs for the group reached 194 by the close of Q1 2024 after the opening of four new centers and the acquisition of Champs (operating X concept studios).

During the quarter, the Group refurbished six clubs, with one of these being converted from the Fitness Time Pro brand to the Fitness Time brand.

Fitness Time Male segment

The male segment revenue grew by double-digits in Q1 2024, rising by 19% compared to Q1 2023 driven largely by continuous growth in membership numbers and an increase in the total number of centers since the end of Q1 2023. This reflects the Group's transformation of its core by focusing on digital member experience, operational maintenance and refurbishments, tailored sales campaigns and offers, and investments in activities and induction programs. The Group also continued to improve its own classes to meet the digital and physical activity needs of membership demographics – a process aided by analytics and a strategy for personalization to increase engagement, retention, and attraction. At the end of Q1 2024, the number of male members reached 296 thousand, and the number of male centers reached 128.

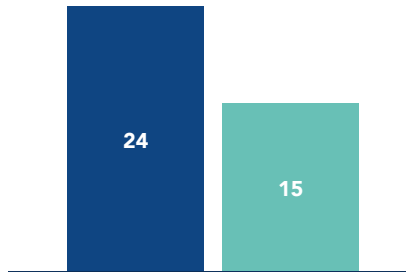
Fitness Time Female segment

The female segment revenue grew by 27% in Q1 2024 as a result of an increase in the number of ladies' centers, rising membership numbers and continues investment in fitness program and group classes. The Group's investments in digital platforms have also helped the business to create personalized services for the ladies' segment, which bespoke sales campaigns and tailored induction programs have also supported. At the end of Q1 2024, the number of female members reached 103 thousand, and the number of female centers reached 50.

● Q1 2024 ● Q1 2023

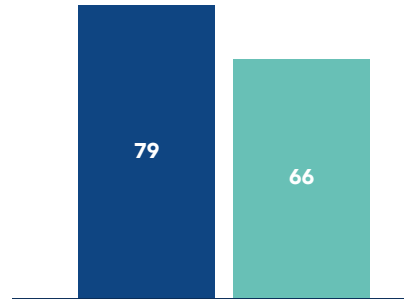
PT Sessions

(000)



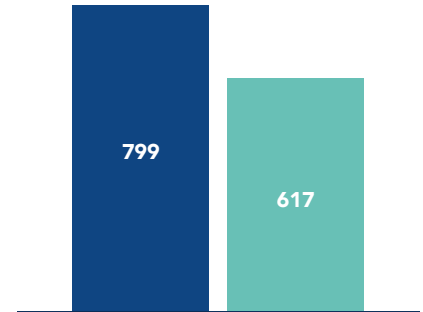
GX Sessions

(000)



GX Attendance

Participation (000)



Fitness Offerings

The paid programs and Group Exercise (GX) offerings grew in line with the growth in membership numbers. This demonstrates that the Group is succeeding in its strategy for member engagement. Paid training program revenue totaled SAR 48 million in Q1 2024, a YoY increase of 49% compared to the same period in 2023, due to growing membership and the introduction of new Paid training programs.

Number Group Exercise Classes GX and its participations increase by 19% and 30% respectively, compared to Q1 2023. This demonstrates that through its strategy for investment, the Group is succeeding in its strategy for member engagement.

The company continued implementing its FT90 program to help new members become fully inducted into their centers, encourages participation, and adds value to the member experience.

New Segments Update

In Q1 2024, significant progress was made in the addition of new segments. Within the field of physiotherapy, the Group's physiotherapy investment, PhysioTherabia opened 8 clinics in Q1 2024, taking the total number of operating clinics to 12, demonstrating the Group's commitment to building the largest network of physiotherapy clinics in Saudi Arabia.

Acquisition of Champs

The acquisition of Champs, which operates basketball academies in Dubai, was in Q1 2024. This investment sees the group bring basketball academies to the Kingdom of Saudi Arabia, supporting the growth of what is a large and growing sport in the region. Champs operates 4 concept Studios in Dubai, which will provide Leejam with a notable presence in Dubai.

Commenting on the Q1 results, Mr. Adnan Al-Khalaf said:

"In line with its strategy, Leejam Sports Company achieved significant growth in revenue, net profit, and membership during Q1 2024, with Fitness Time brands leading the growth. The Group also succeeded in narrowing the traditional Q1 seasonality effect, with an increase in the number of members and renewals for the first quarter of 2024. This demonstrates the efficacy of the Group's various member engagement strategies and investments in quality services, infrastructures, technologies, and choice. The Group continued to diversify its business during the quarter by acquiring a new player in the concept studios and academies in the UAE which will also support growing geographical footprint across the region."

Adnan Al-Khalaf



P&L Summary

(SAR MN)	Q1 2024	Q1 2023	Change %
Revenues	344	277	24% ▲
Gross Profit	139	109	28% ▲
Operating Profit	99	78	26% ▲
EBITDA*	168	138	22% ▲
Net Profit	94	63	50% ▲
Net income after the exclusion of the one-off income	76	63	22% ▲
EPS (SAR)	1.8	1.2	50% ▲

(SAR MN)	Q1 2024	Q1 2023	Change %
Gross Profit Margin	41%	39%	1% ▲
Operating Profit Margin	29%	28%	2% ▲
EBITDA Margin	49%	50%	(1%) ▼
Net Profit Margin	27%	23%	5% ▲
Net income margin after the exclusion of the one-off income	22%	23%	0%

Balance Sheet Summary

(SAR MN)	31st March 2024	31st December 2023
Cash & cash equivalents	297	277
Total Assets	3,585	3,401
Deferred Revenue	401	444
Total liabilities	2,464	2,309
Total equity (After Deducting the Minority Equity)	1,114	1,089

Cash Flows Summary

(SAR MN)	Q1 2024	Q1 2023	Change %
Operating Cash Flows	145	112	29% ▲
Investing Cash Flows	(169)	(43)	290% ▲
Free Cash Flows	(24)	69	-

* EBITDA = (Operating profit + Depreciation + Amortization)



About Leejam Sports Company

Listed on the Saudi Stock Exchange (Tadawul), Leejam Sports Company SJSC owns and operates Fitness Time chains in Saudi Arabia and the United Arab Emirates.

Leejam's facilities provide a modern, clean, and welcoming environment for the community, filled with the latest in fitness technology, highly trained professional staff, and an operating philosophy that exceeds international standards.

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