



EARNINGS PRESENTATION

Q3 2022

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COMPANY'S PROFILE & OVERVIEW

LEEJAM



OUR VISION

To be the people's favourite and most accessible wellness club.

OUR MISSION

To steer society towards a healthy lifestyle and encourage people to exercise daily.

OUR VALUES

- Customer service excellence
- Integrity
- Responsibility
- Collaboration
- Innovation

LEEJAM BRANDS

Leejam prides itself on its international and professional Fitness Team, designed to make Leejam prides itself on its international and professional Fitness Team, designed to make Fitness Time the gym of choice. Leejam currently operates the following fitness brands:

Fitness Time, the gym of choice.

Leejam’s winning formula stems from the strategically selected locations of its fitness centres, which are designed to provide a conveniently located, easily accessible and fully equipped centre to the fitness community. The core values at the heart of every centre are the most technologically advanced, state-of-the-art equipment and providing users with a superior customer experience, all of which are complimented by the Company’s diverse range of offerings, through tactically astute brand differentiation, incorporating choice offerings to suit every budget.

Leejam currently operates the following fitness brands:



Fitness Time Plus/Ladies Plus

Indulge in an environment which combines fitness with luxury; this brand is targeted at individuals seeking a five-star, exclusive experience. The “Plus” brands provide the ultimate in privacy, whilst maintaining the ultra-high standards the Company is renowned for. Facilities include best-in-class swimming pools, complimented by jacuzzis and plunge pools at selected locations, a comprehensively equipped gym along with indoor running and walking tracks. Additional facilities include steam rooms, saunas, hairdresser facilities, squash, along with communal lounges.



Fitness Time Pro/Ladies Pro

Fitness Time Pro provides users with a broad, yet focused set of features and services. There are large training pools, which can be used either for workout or as a cool down post workout, complimented also by jacuzzis and plunge pools at selected locations. All centres are equipped with the very latest technology, ensuring users maximise their fitness potential. In addition, there are dedicated work-out rooms for each type of training and exercise.



Fitness Time/Fitness Time Ladies

Immerse yourself in a business class sports and fitness facility, with a brand targeted at a user seeking a high-end, full-service facility, without the necessity for the additional privacy the Plus brand provides. With similar facilities to the Plus brand, Fitness Time provides swimming pools, jacuzzis and plunge pools along with the usual state-of-the-art equipment found in all fitness centres, with some centres also benefitting from indoor running and walking tracks. This brand also offers space at its male centres for other sports activities, such as football, volleyball, squash and table tennis at certain locations.



Fitness Time Xpress/Ladies Xpress

Perfect for a user seeking cardio and strength workouts, Fitness Time Xpress offers a digitally enabled no-frills experience, with maximum value, easily accessible centres with male centres being open 24 hours a day. Fully equipped with the ultimate range of cardio programs and usual cardio and strength equipment, all gyms come with the state-of-the-art equipment the Company is renowned for.

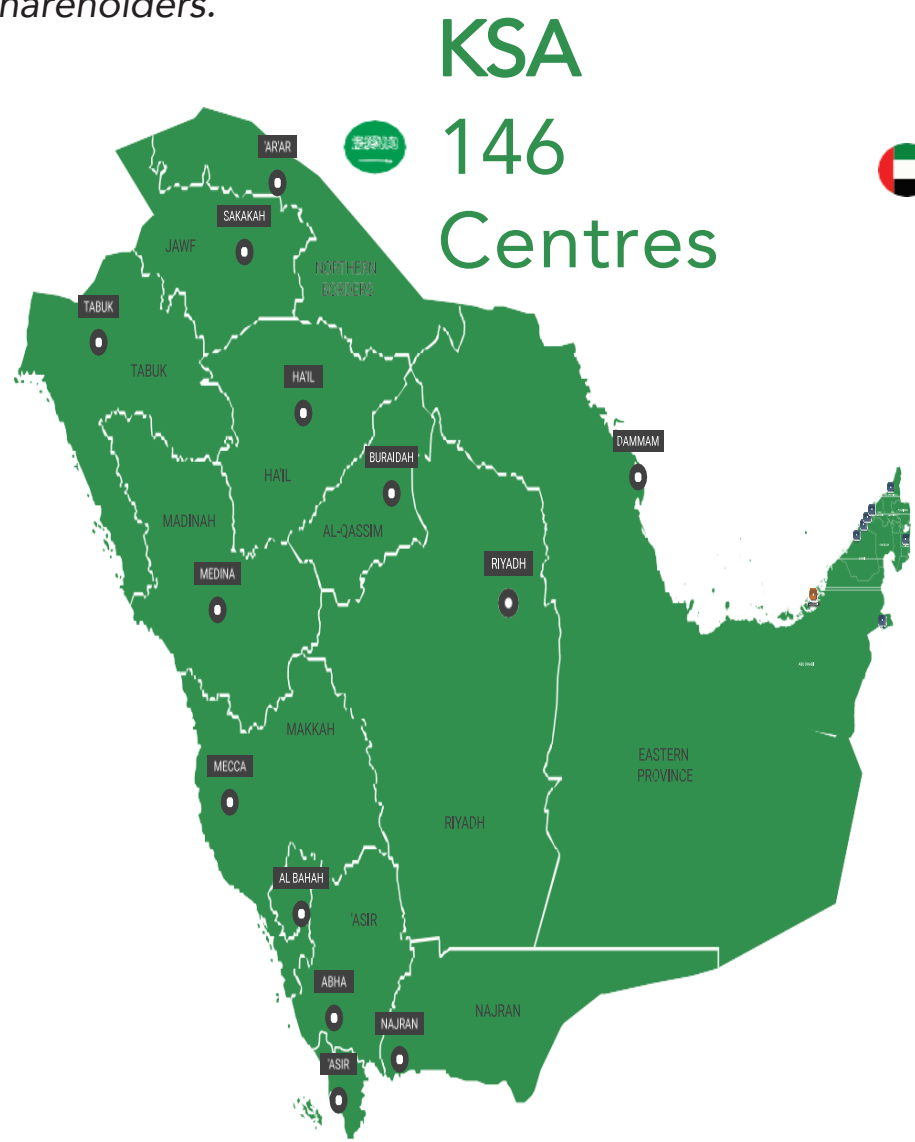
Key Features



Target audience	Males 25+	Males 16+	Males 16+	Males 16+	Females 16+	Females 16+	Females 16+	Total	KSA
No. of Centers – EOP Sep 2022	4	52	36	18	34	5	4	153	146 Centers
									UAE 7 Centers

VALUE PROPOSITION & INVESTMENT CASE

Leejam aims to offer a winning solution to the masses; an easily affordable and accessible fitness centre that allows users to access market leading facilities, with different sizes, locations, products and services to accommodate for people with varying budgets and requirements. These solutions give Leejam a unique opportunity to maximise outreach, leveraging its leading edge and experience in the market, along with its synonymous name to maximise return on capital for its shareholders.



KSA
146
Centres

 **UAE**
7 Centres

- Total Number of Fitness Centres = 153
- Largest reach across Saudi Arabia, with branches in UAE
- 43 Female only segment – Largest female network in KSA
- Strategically located to reach the majority of the population
- Multiple brands to cater for all people
- 24/7 gyms with low-cost and high-value
- Fully trained staff
- Customer service
- Best-in-class facilities and products

153
Fitness Centers

Investment case



Cash Generation

Strong cash generation to ensure expansion funding over the longer term amid increasing cost of funding.



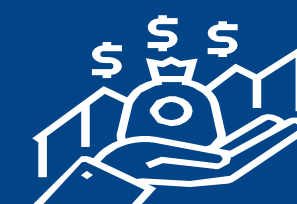
Strong financial ratios

The Company continues to show strong financial ratios. Through the pandemic and into 2021, the Company maintained its outstanding credit positions and held onto its key ratios.



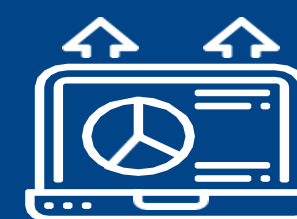
Consistent growth

The Company has shown year-on-year growth in terms of total operating centres, and has consistently reduced average costs per centre whilst growing revenues.



Dividend payments

The Company is committed to paying dividends in line with performance and company policies.



Size of market

Leejam maintains its market leading position in Saudi Arabia



Growing market in line with Saudi Vision 2030

With getting people to exercise daily being one of the main pillars of the Country's Vision 2030, the market is only going to grow. With Leejam's leading position in the market at present, complimented by the growth strategy in place, and the Company's extensive experience in establishing and quickly opening new centres, Leejam is perfect poised to capitalise on this growing market by further cementing its position as the region's largest owner and operator of fitness centres.

KEY HIGHLIGHTS

Item (SAR M)	Q3 2022	9M 2022
Revenue	264.5	729.1
Gross profit	107.2	270.9
Operating Profit	82.3	191.1
EBITDA	140.3	362.3
Net Profit	68.1	150.1
Cash and cash equivalents		233.0

Item	Q3 2022	9M 2022
Gross Profit Margin	40.5%	37.2%
Operating Profit Margin	31.1%	26.2%
EBITDA Margin	53.0%	49.7%
Net Profit Margin	25.7%	20.6%

The company ended 3Q22 with 153 operational centers, after adding 15 new operational centers since September.

The company ended 3Q22 with 367 thousand members, the highest in the company's history.

Deferred Revenue balance reached SR 420.5 million at the end of September 2022, the highest in the company's history.

Xpress segment as whole is still performing as per the feasibility taking into consideration that 1 Xpress center is 1/3 of big box center in terms of revenue & cost.

Female Segment

74K



Members

43



Centers

Male Segment

225K



Members

110



Centers

Corporate Business

69K



Members

240+



Customers

Total

367K



Members

153



Centers

LEEJAM MEMBERS DATA

Male
Members increased by 28%

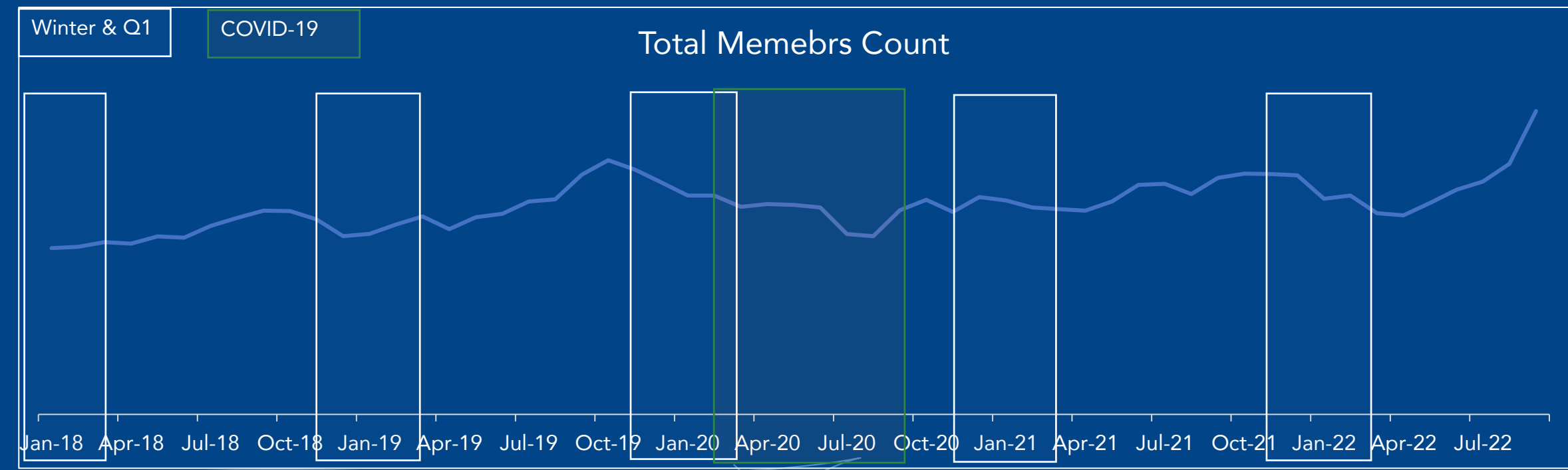
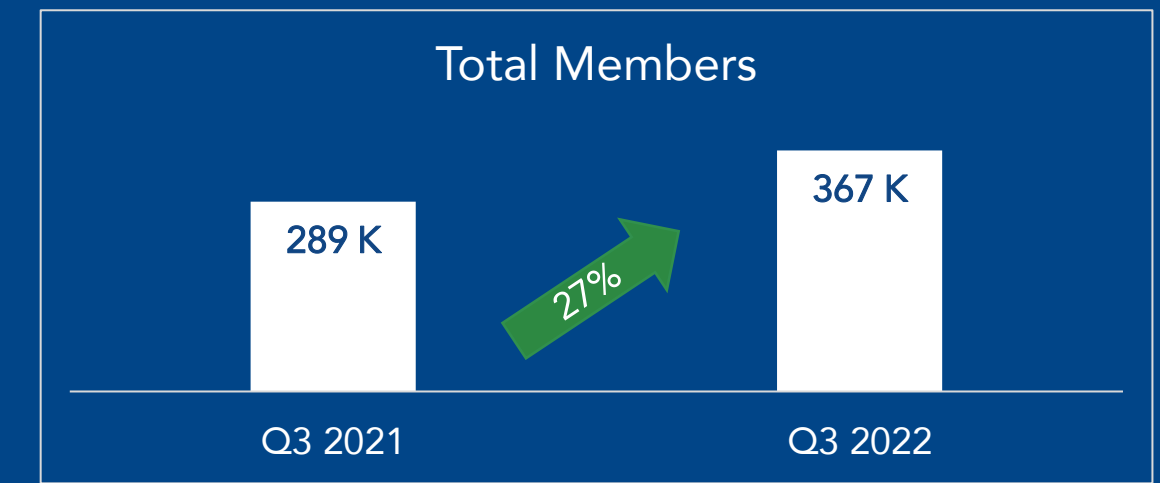
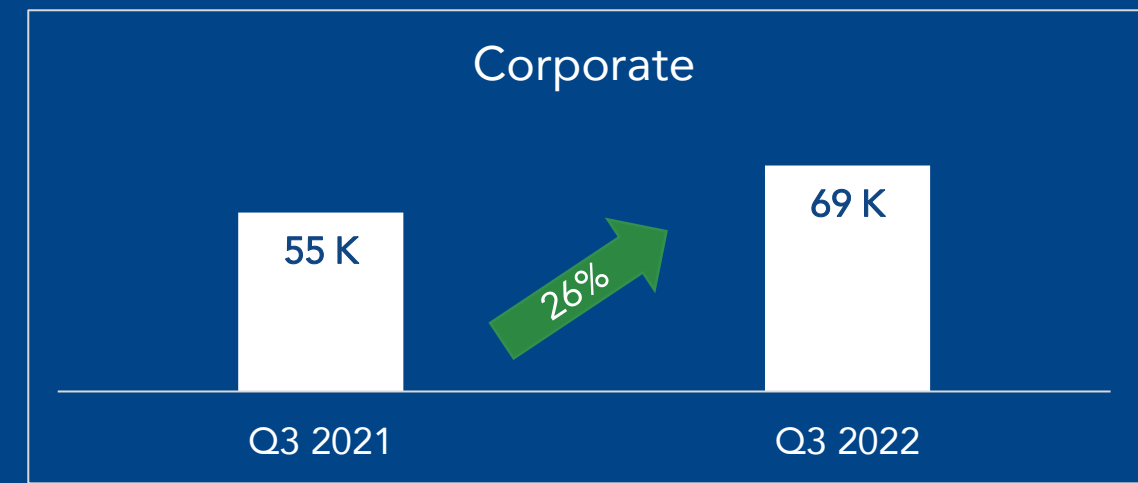
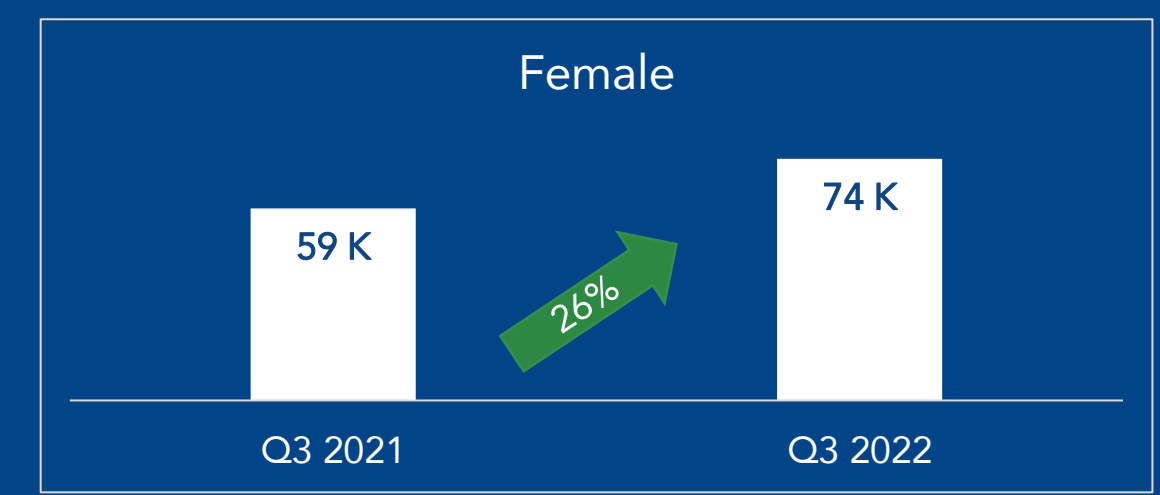
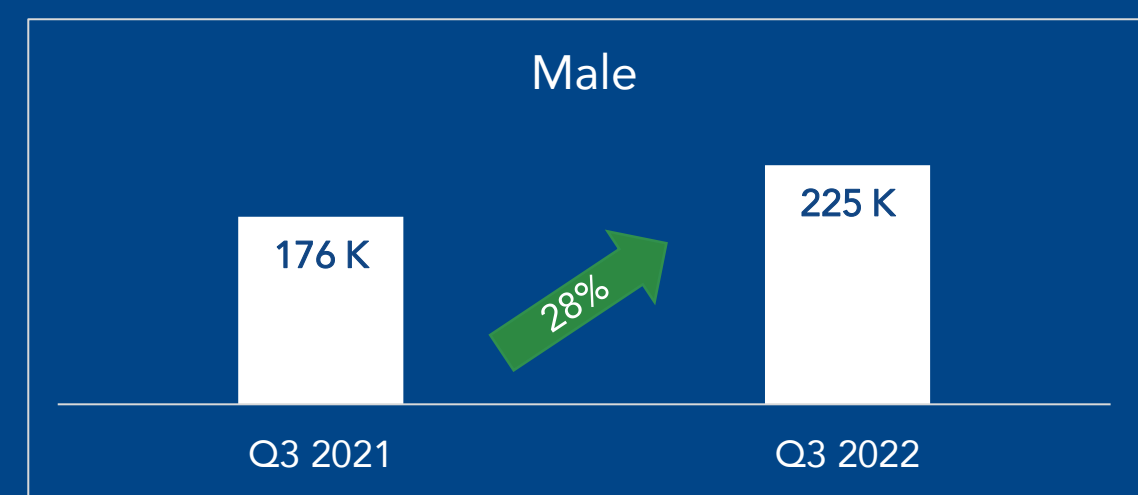
Female
Members increased by 26%

Corporate
Members increased by 26%

Total Members
Total Members count increased by 27%

Total Members Count Movement

- Since 2018, the company grew memberships numbers at a CAGR of 11% until September 2022.
- Winter season (mostly Q1) is historically a low season for the company
- As we grow number of members, we always have and expect expiries
- Second half is historically a high season due to national day campaign and the natural return to GYM's after the holiday season



**FINANCIAL
PERFORMANCE**



Q3 PROFITABILITY

Revenue

- Increased by 4% driven by increase in corporate and retail.

Gross Profit

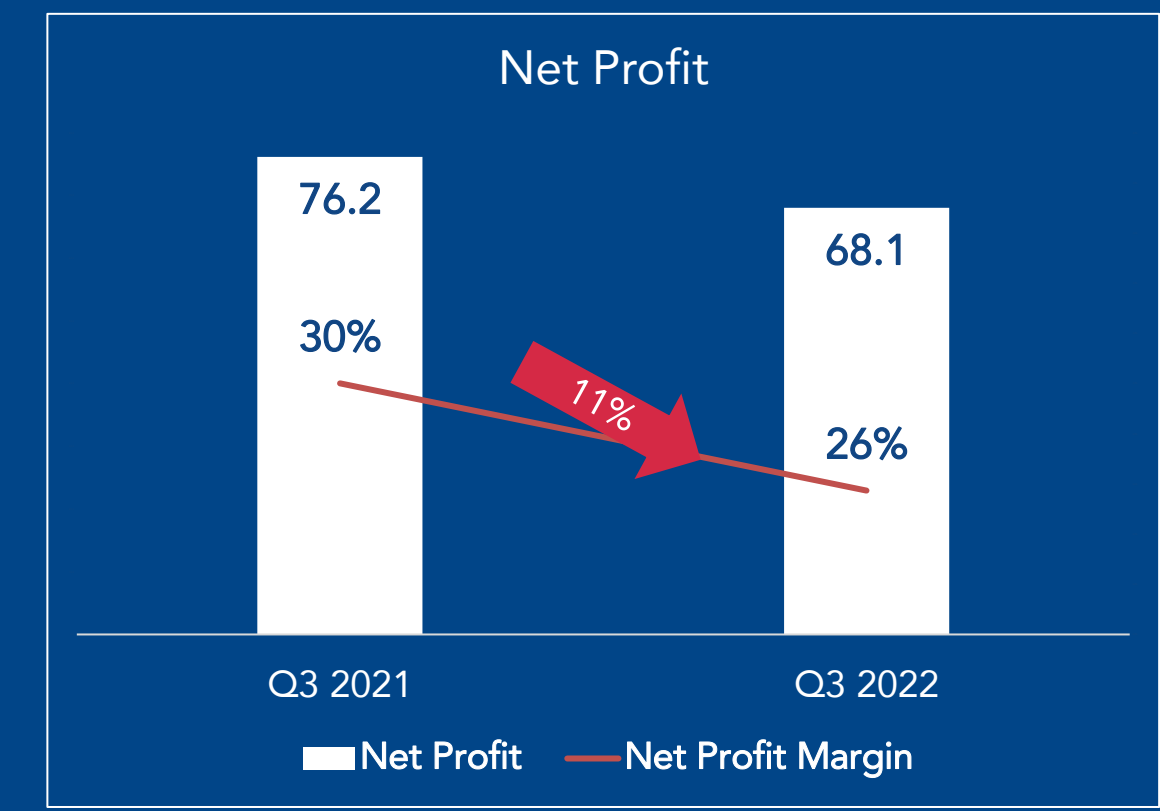
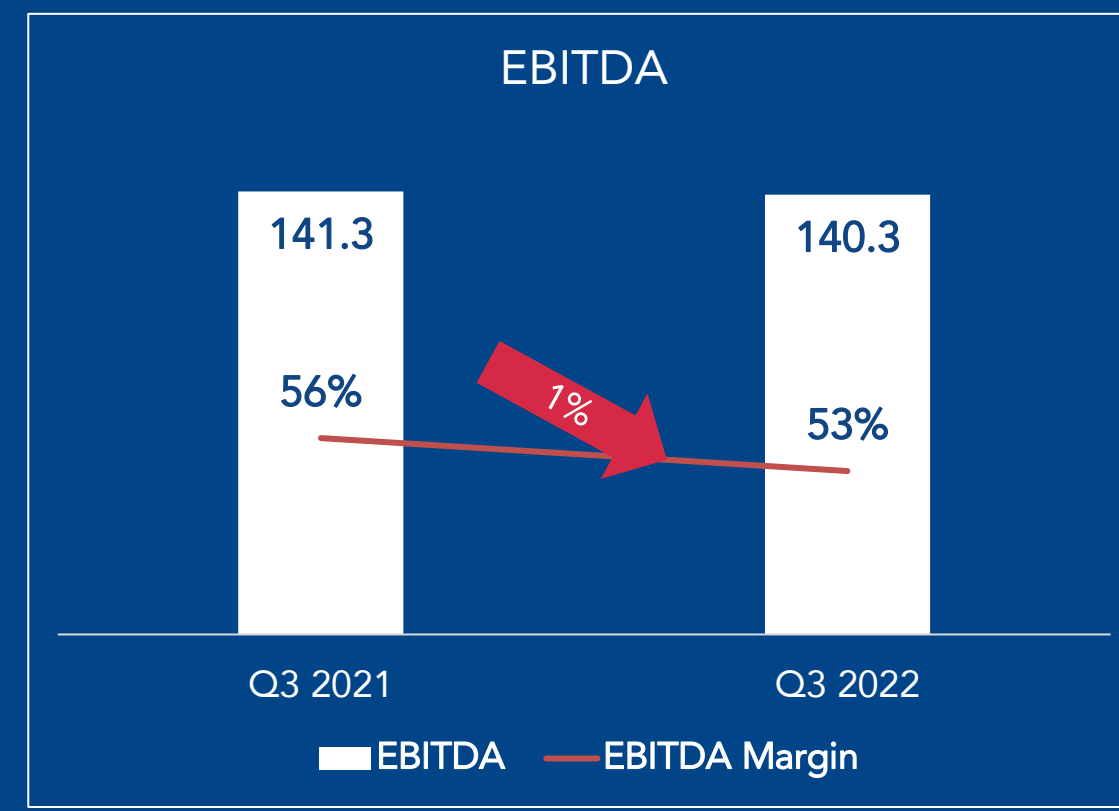
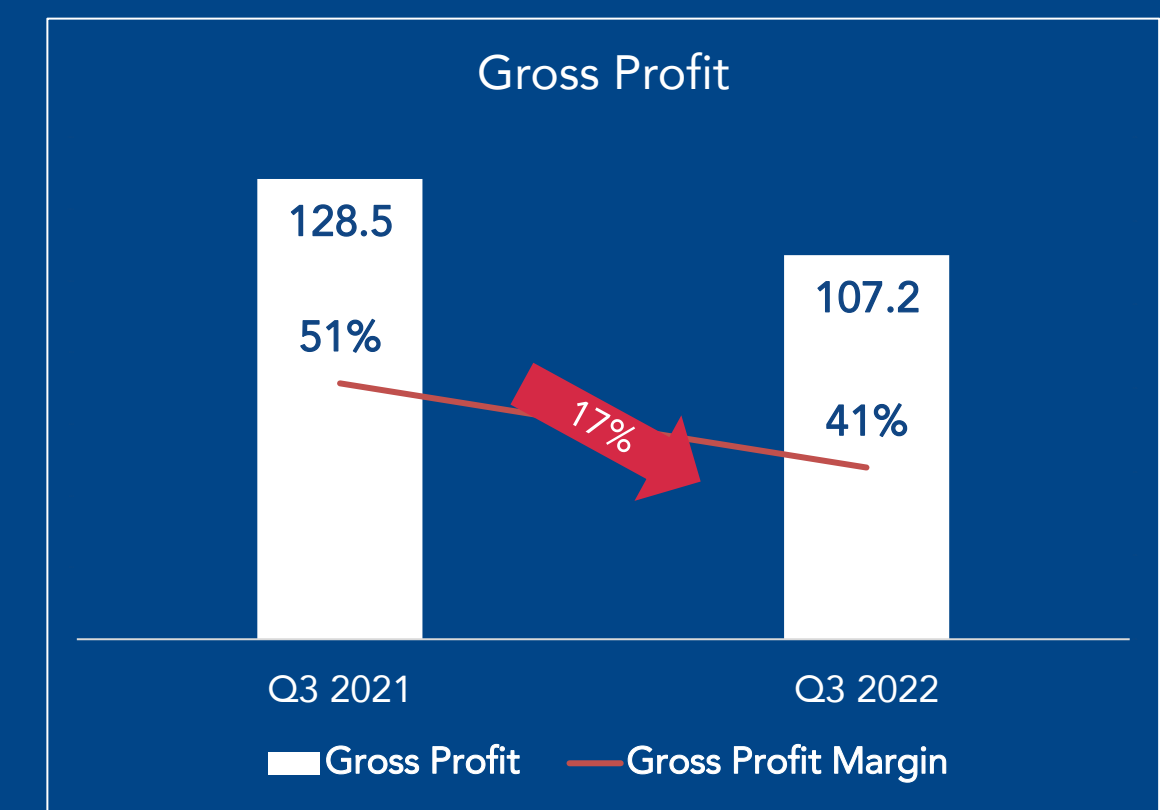
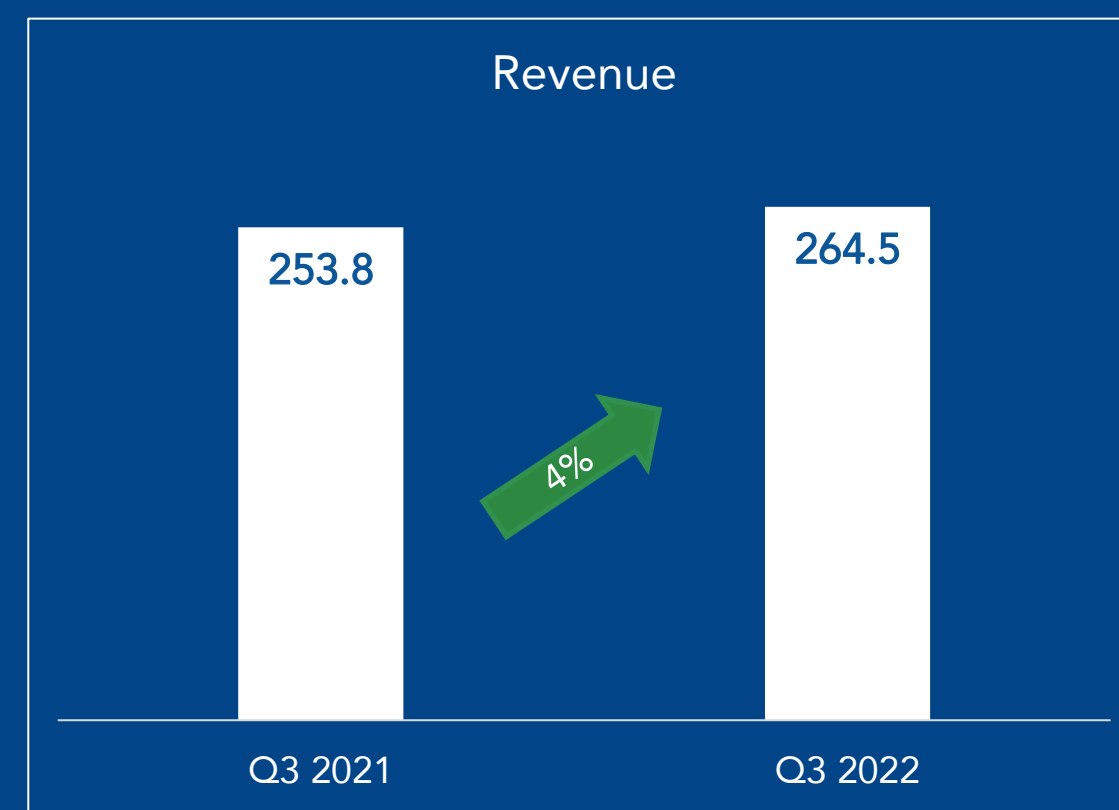
- Decrease in GPM mainly due to the accounting of a one-off rent concession during the same quarter of last year amounted to SR 11.3m in addition to the overall increase in cost of consumables and the 24h operating centers.

EBITDA

- EBITDA Margin at 53.0%

Net Profit

- Decrease in NPM driven by lower GPM plus the increase in Finance Cost & ECL provision.



Amounts in million (SAR)

9M PROFITABILITY

Revenue

- Increased due to more operating days in 2022 plus the addition of 15 new centers. Out of the SR105 million revenue increase, SR40m came from Personal Training (PT), Rental income and other income representing 27% increase comparing with LY.

Gross Profit

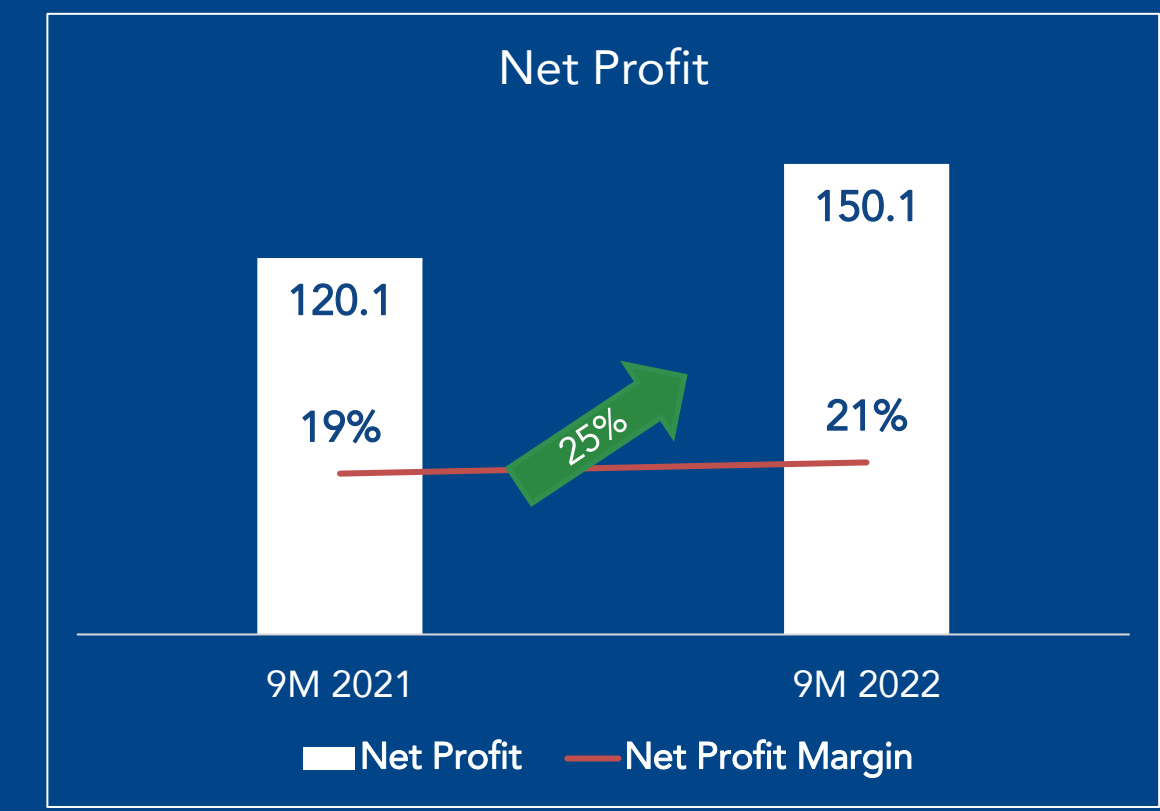
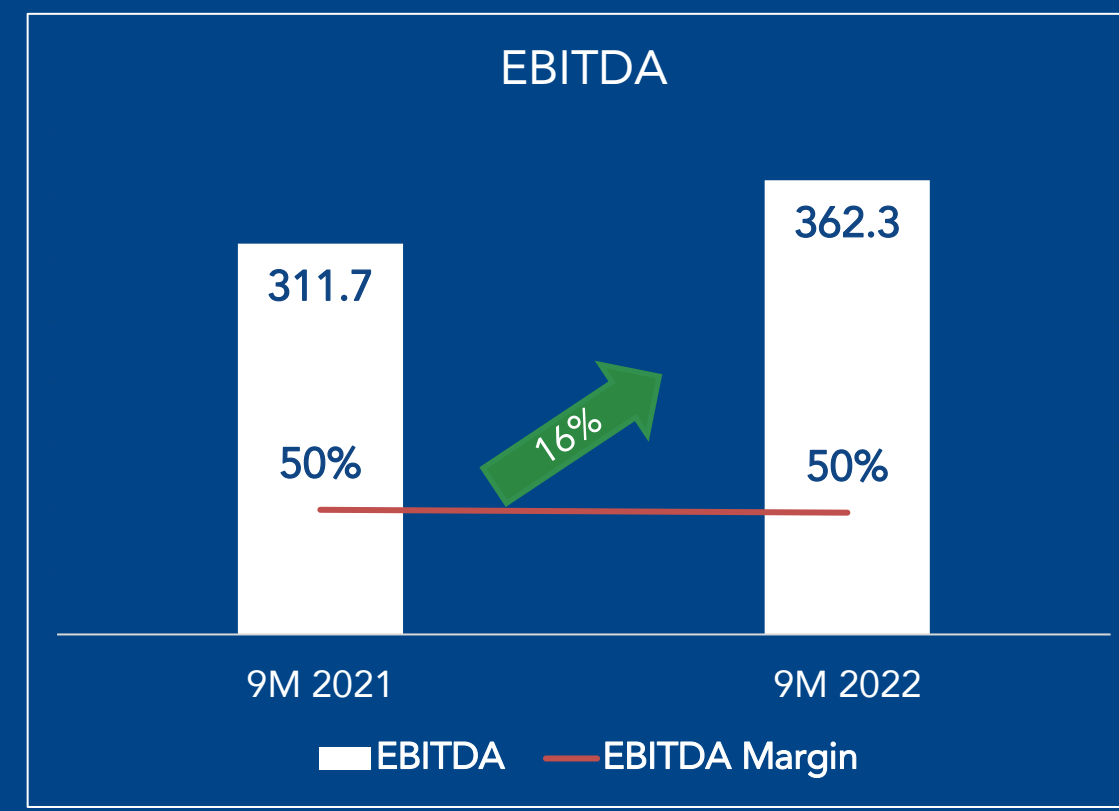
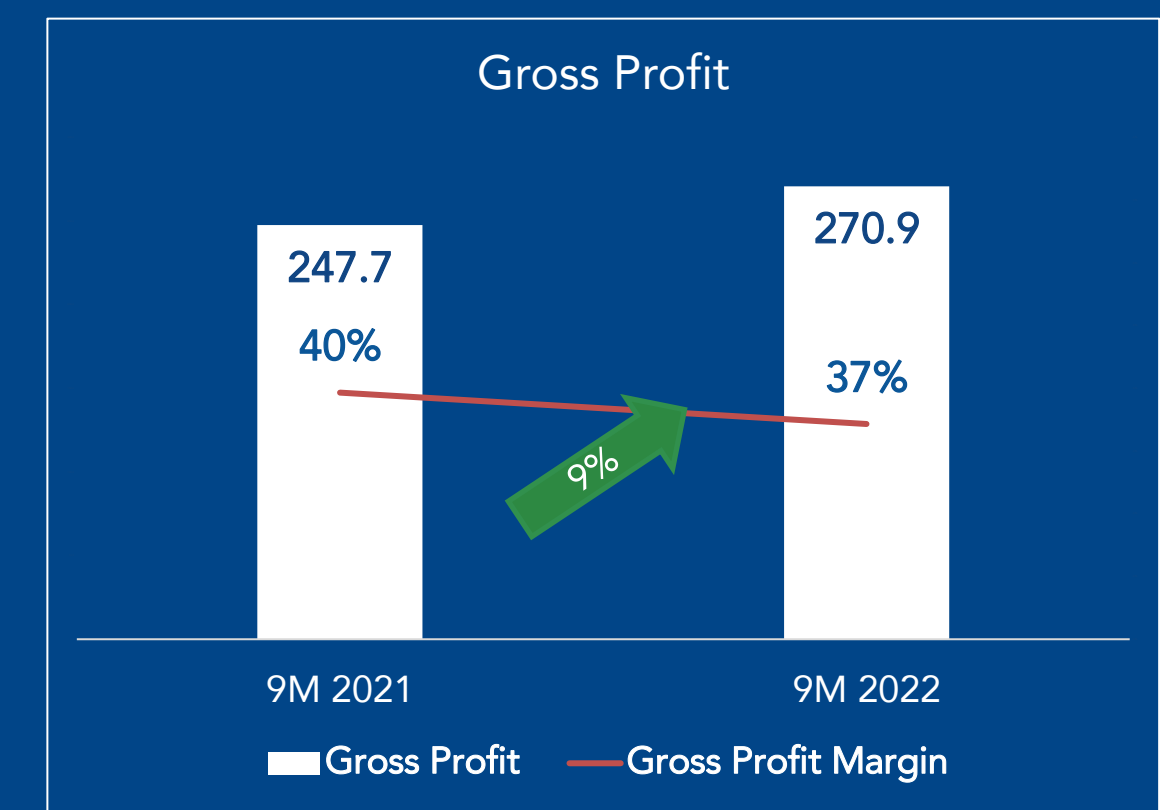
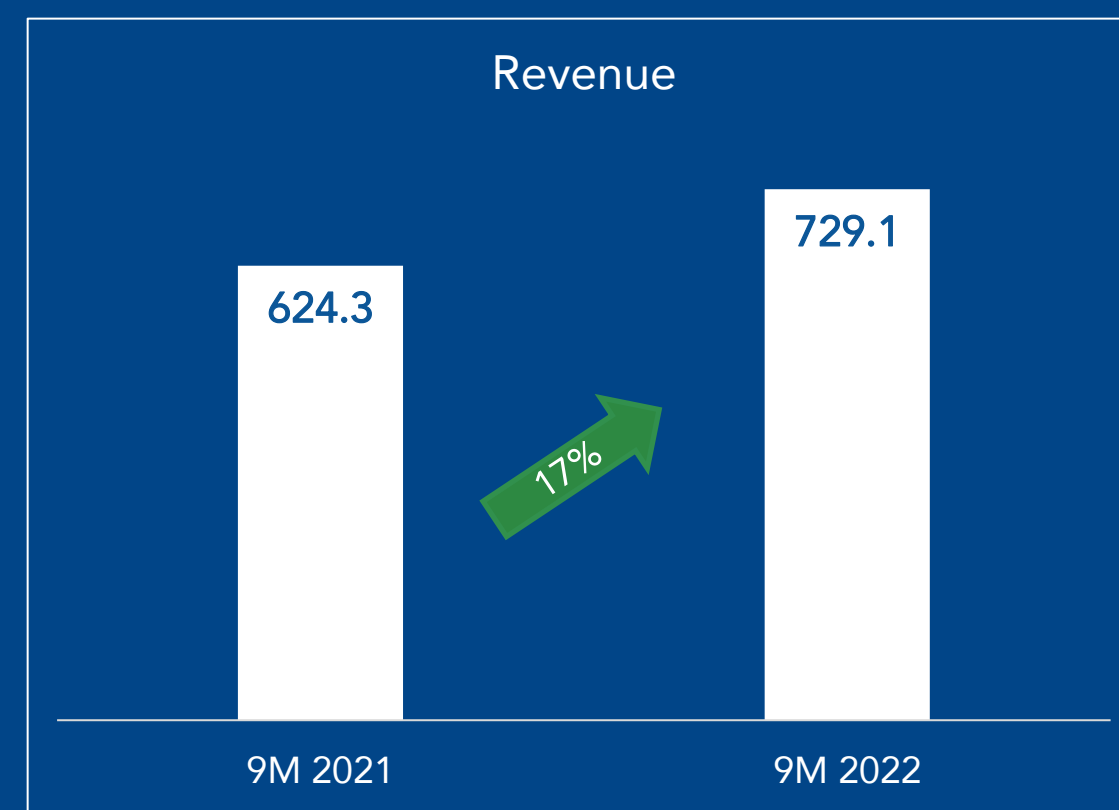
- Increased by 9% driven by increase in revenue by SR105 million and partly offset by increase in cost of revenue by SR 82 million.

EBITDA

- EBITDA Margin maintained at 50% despite the increase in cost of consumables & utilities.

Net Profit

- Improved NPM at 21% due to increase in revenue.



Amounts in million (SAR)

FINANCIAL POSITION

Current Assets

Decreased by 9% mainly due to the decrease in Cash.

Cash

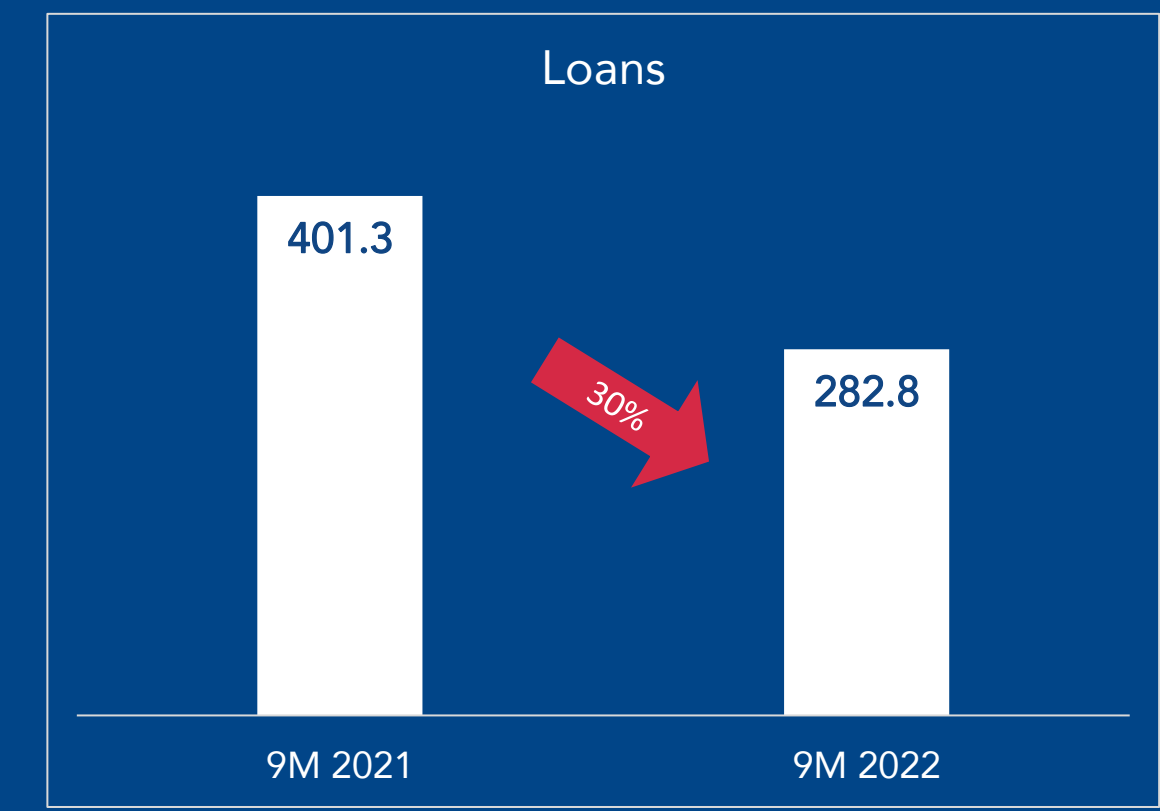
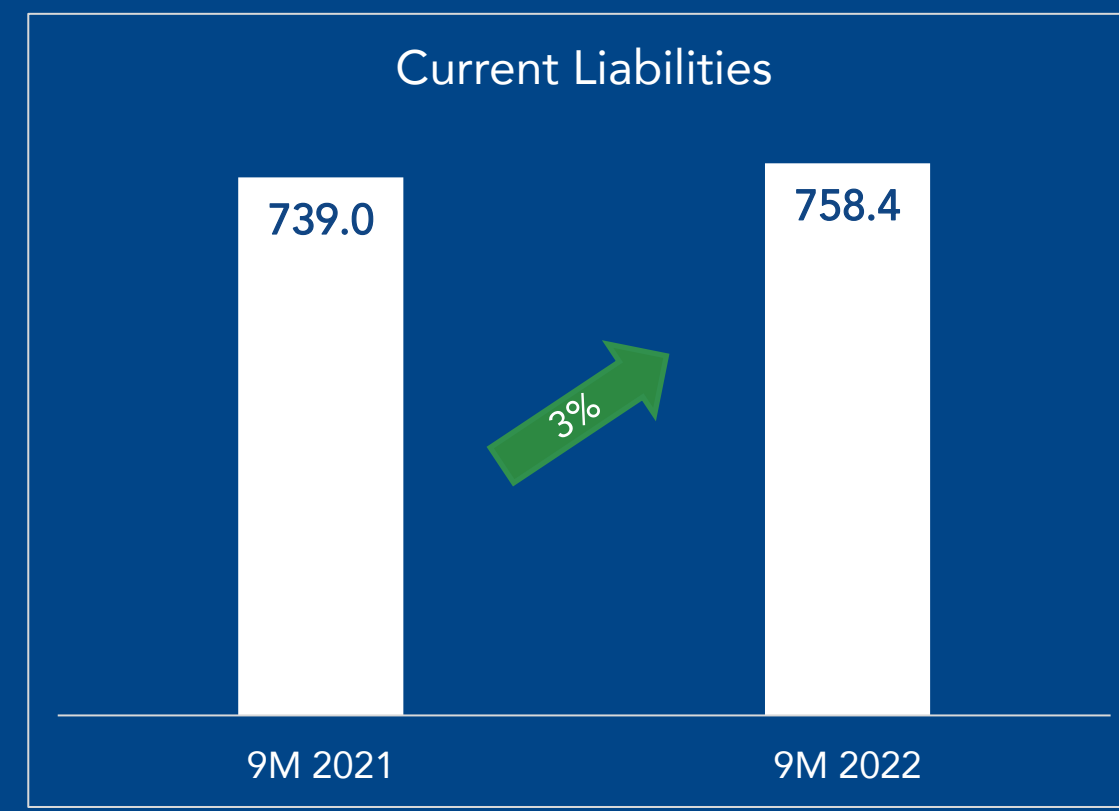
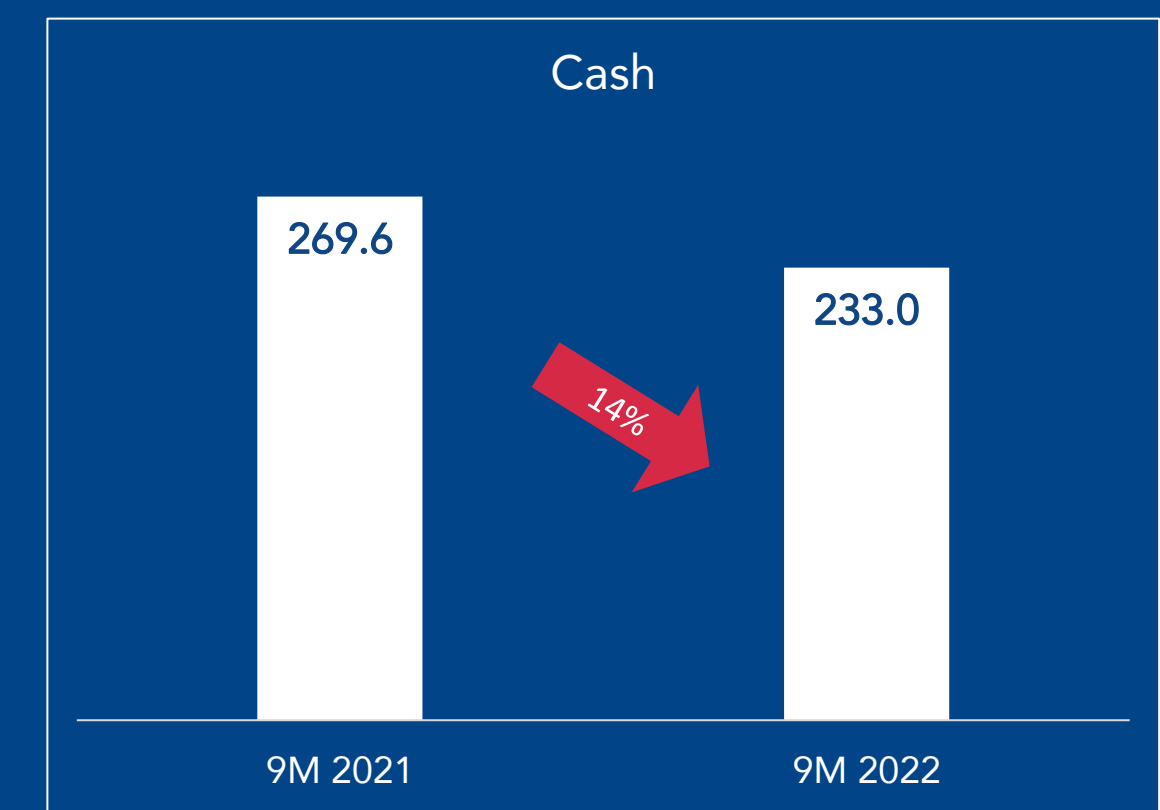
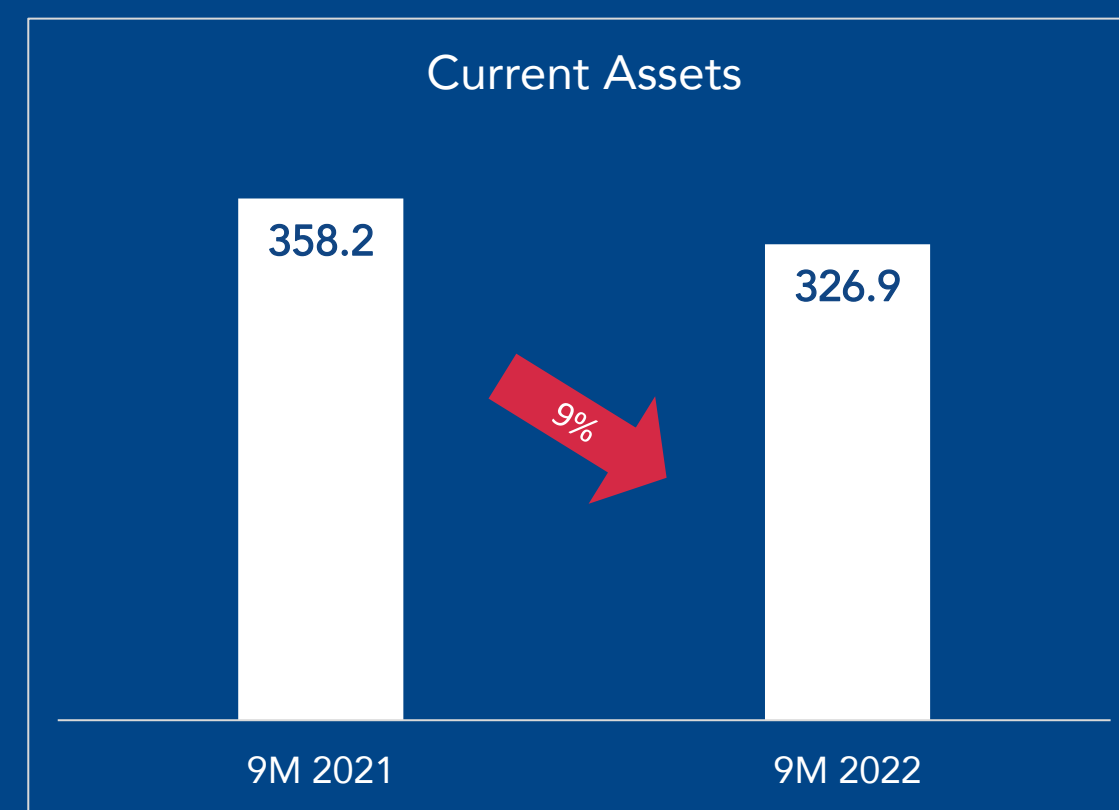
Decreased by 14% mainly due to dividends payment during the period

Current Liabilities

Increased by 3% mainly due to the increase in deferred revenue

Loan Balance

Loan balance decreased by 30% due to the loan repayments.



Amounts in million (SAR)

CASH FLOW

Cash Flow from Operation

Increased by 33% mainly due to increase in profit and higher deferred revenue

Capex

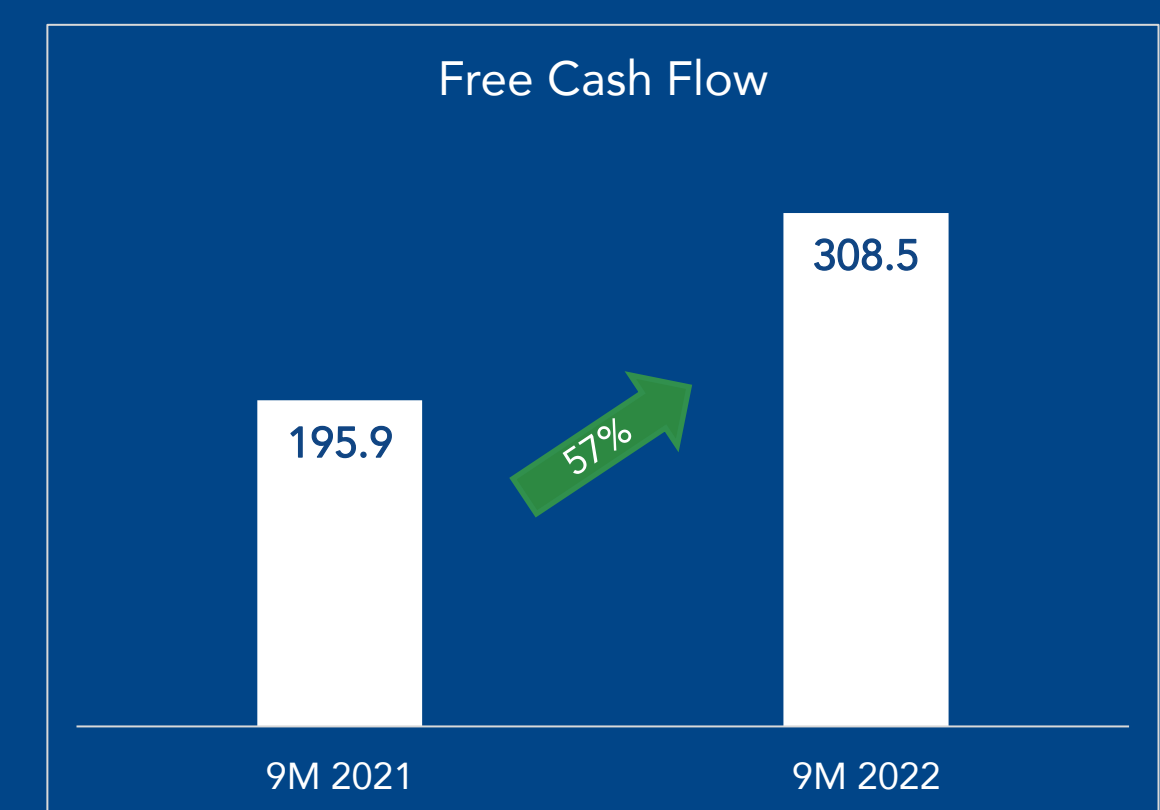
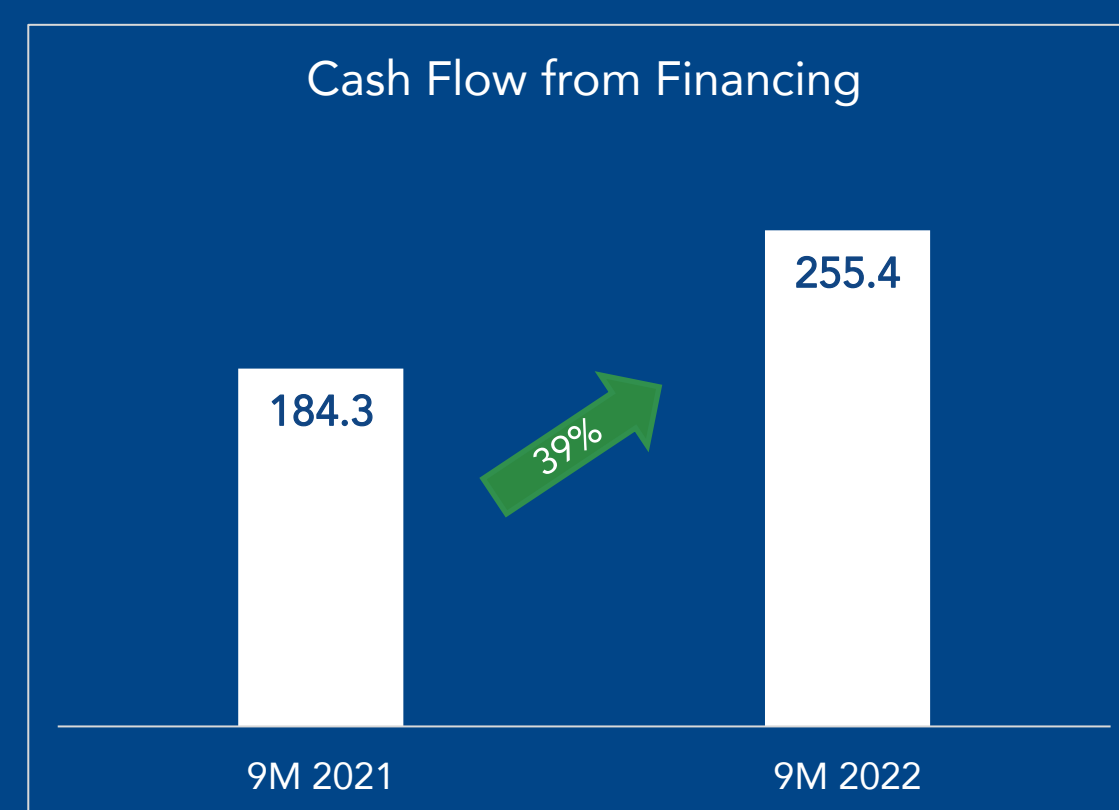
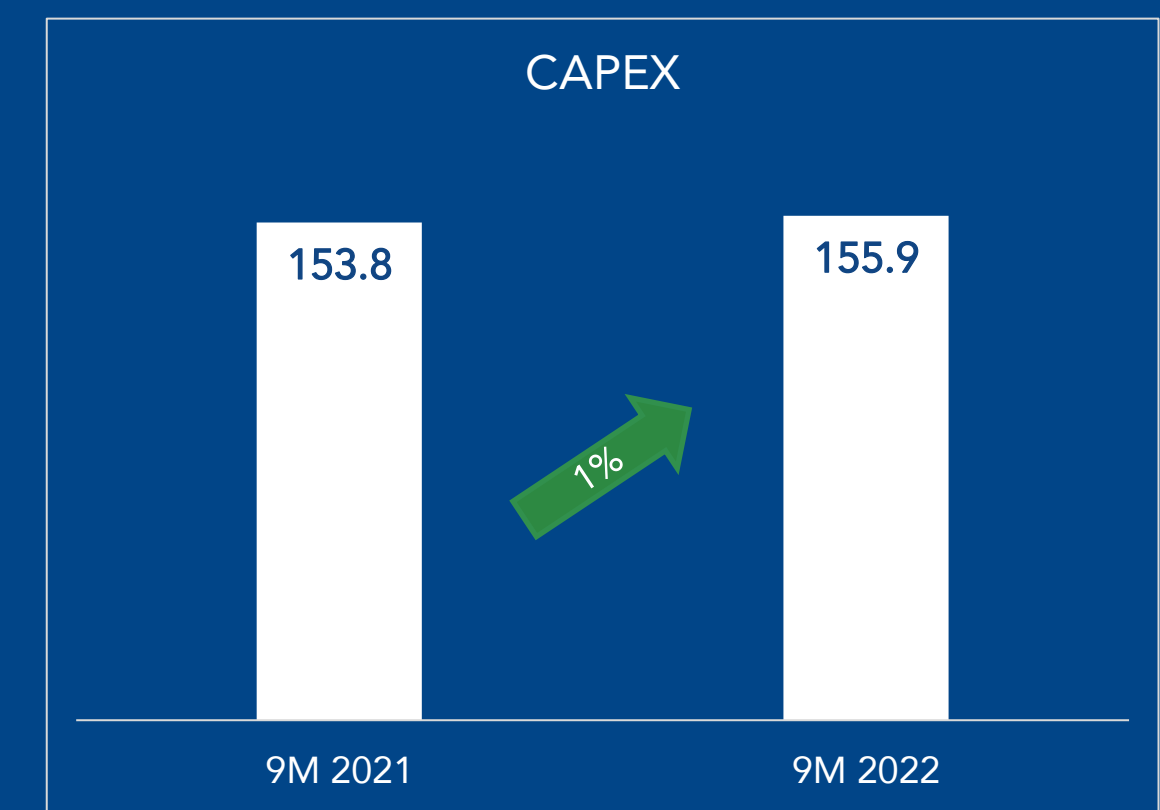
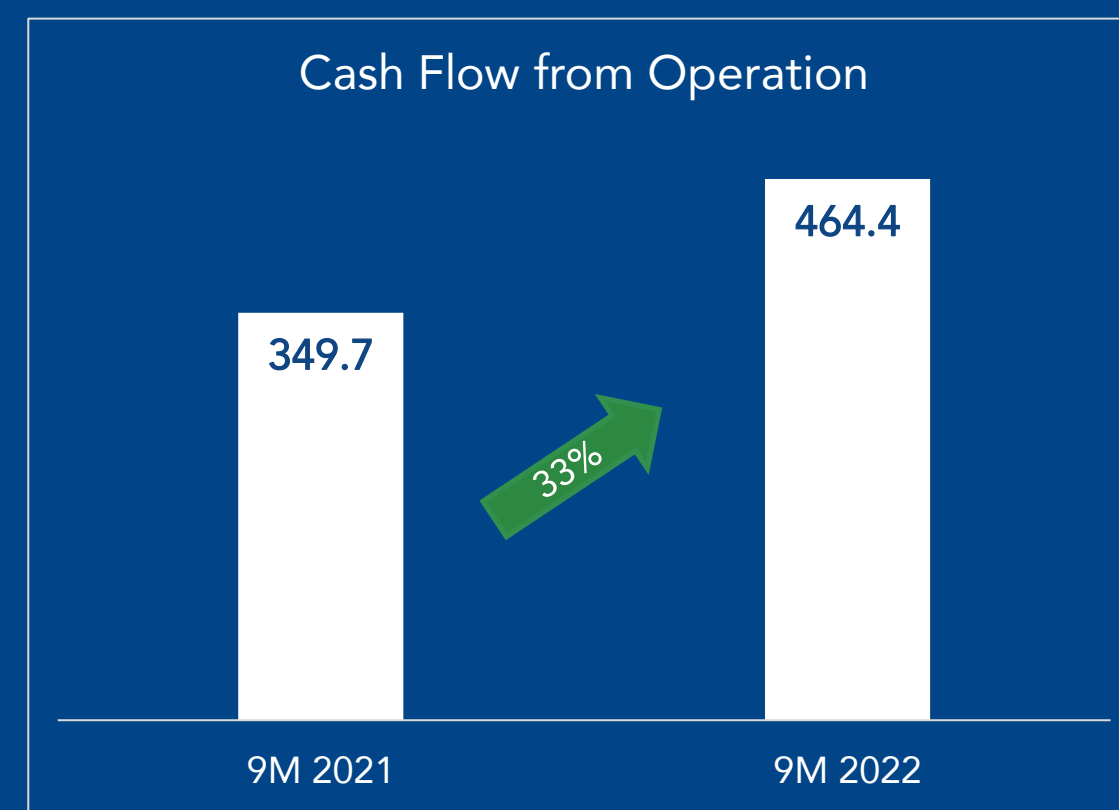
Spend in line with LY

Cash Flow from Financing

Increased by 39% mainly due to the dividend payment

Free Cash Flow

Increased by 57% due to the increase in Cash flow from operations.



Amounts in million (SAR)

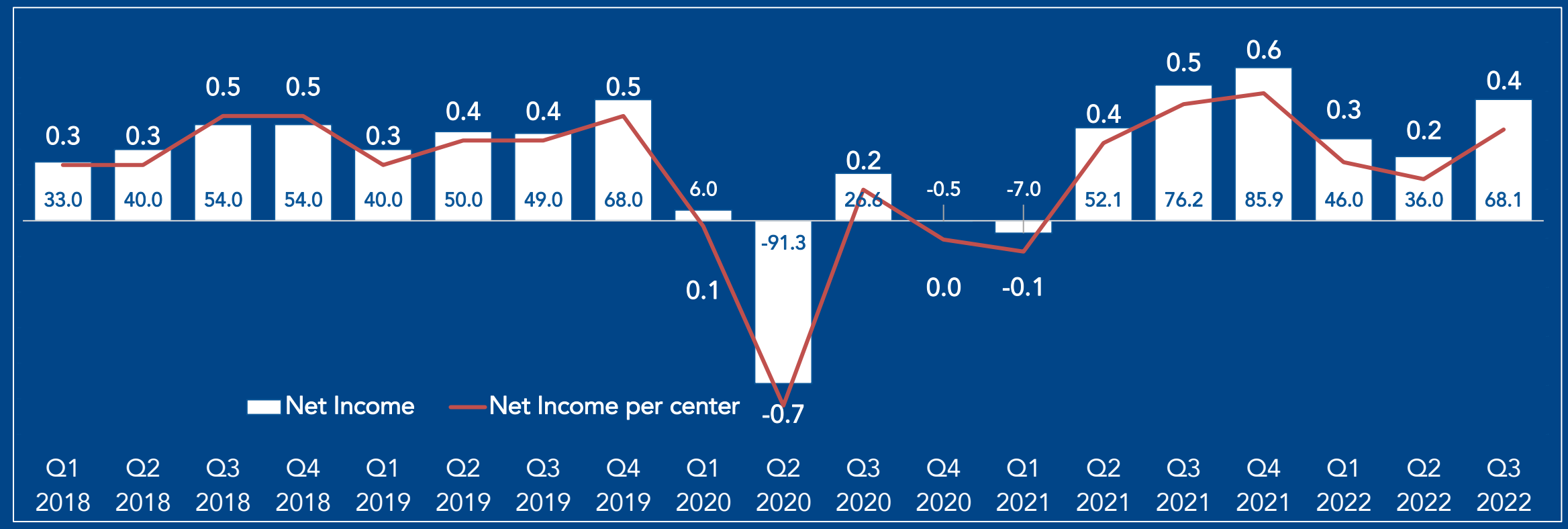
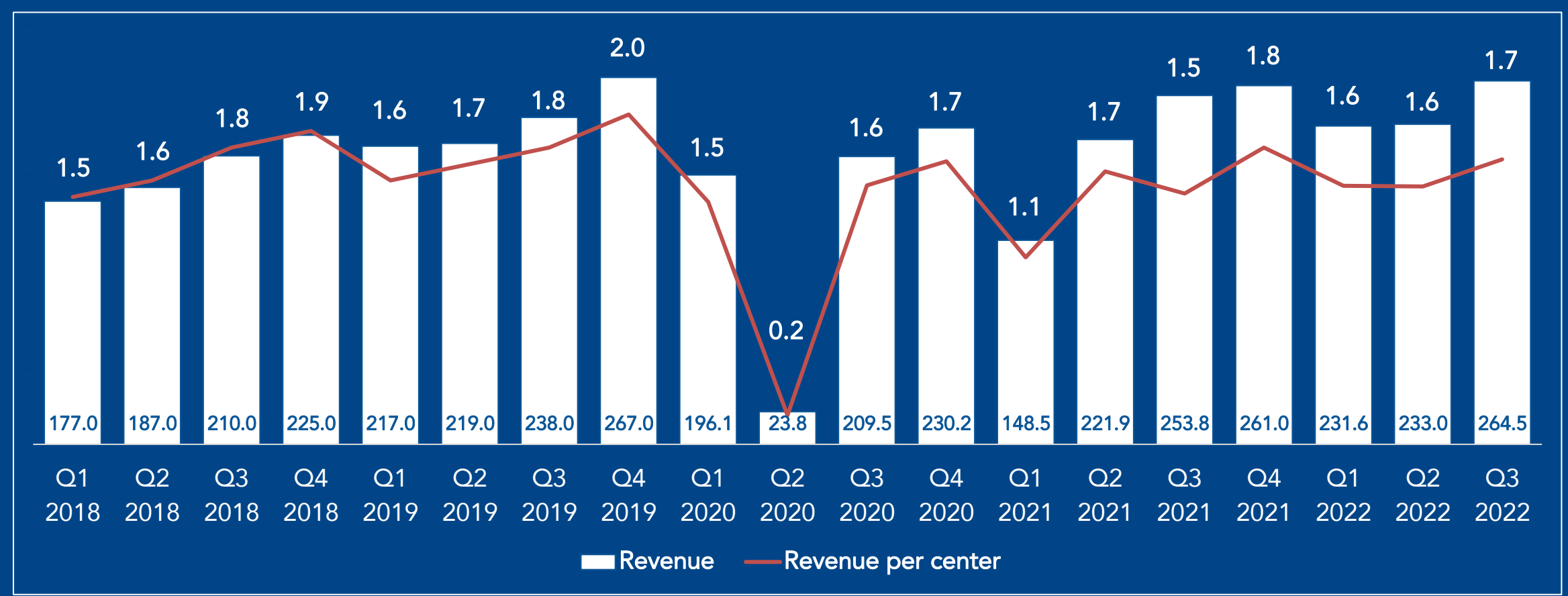
QOQ GROWTH

Revenue per center

Higher than the last quarter by 11% and increased by 14% compared to Q3 2021, mainly due to the increase in revenue

Net Income per center

Higher than the last quarter by 84% mainly due to the increase in revenue, and decreased by 19% compared to Q3 2021.



Amounts in million (SAR)

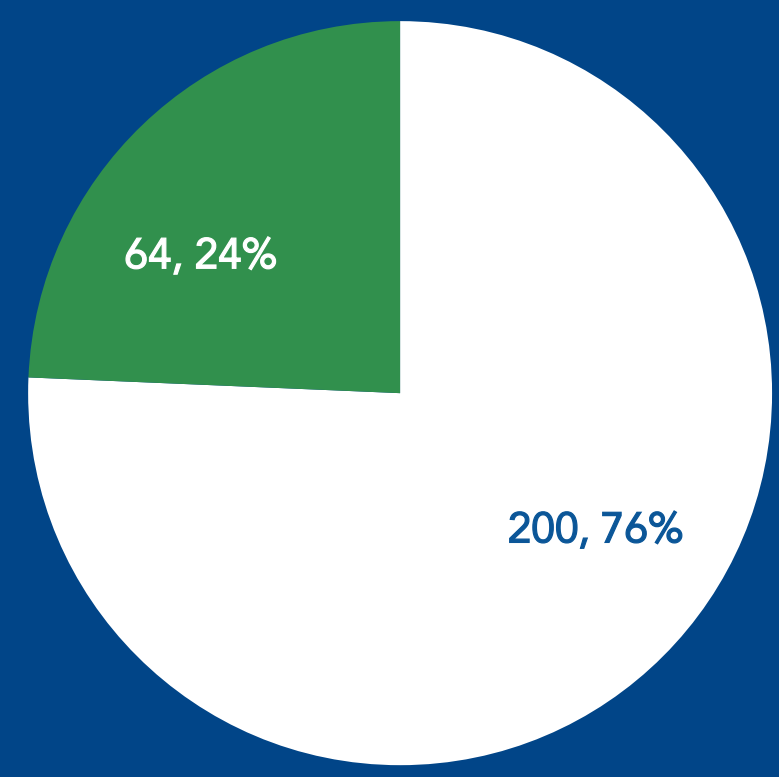
REVENUE BREAK-DOWN

Segment Analysis

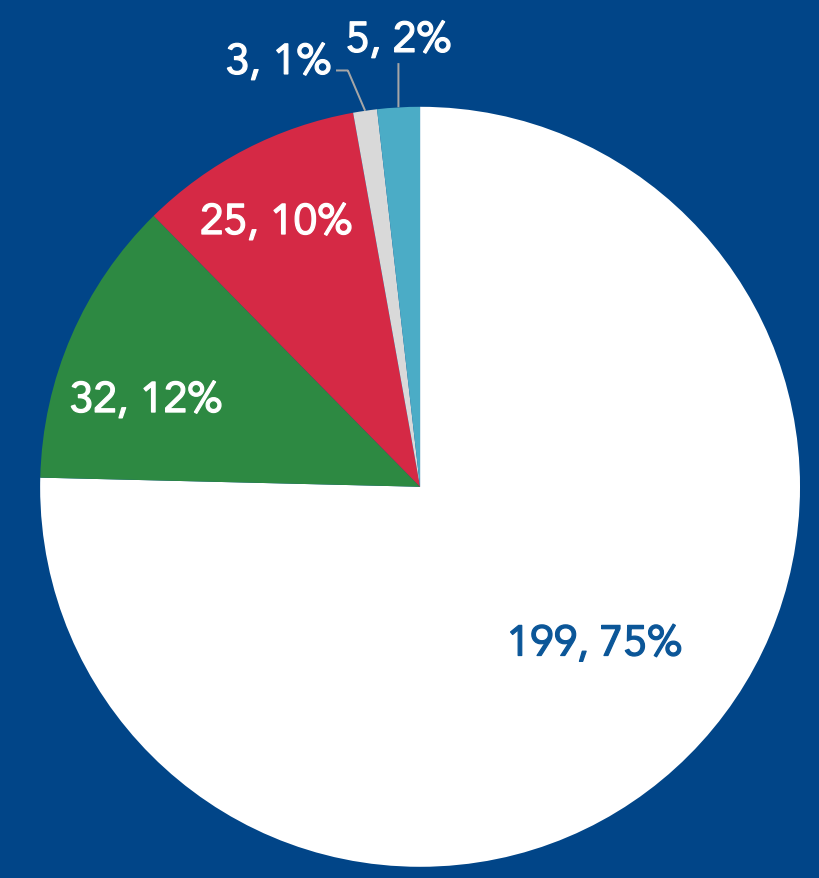
- Male revenue increased by 6% comparing with Q3 2021.
- Female with 24% of revenue comparing with 25% in Q3 2021.

Source Analysis

- Individual Membership with 75% of revenue comparing with 78% in Q3 2021.
- Corporate with 12% comparing with 10% in Q3 2021.
- Personal Trainer, Rental and Other Service almost same levels comparing with Q3 2021.



■ Male ■ Female



■ Individual Membership ■ Corporate
 ■ PT ■ Rental
 ■ Other Service

Revenue in SAR million, % of Total Revenue

Q3 2022 P&L

Key Messages:

The decrease in net profit for the third quarter 2022 compared to the same quarter of the last year was due to the following:

- An increase of 25% in Cost of revenue (**normalized at 15%**) compared to the same quarter of last year due to addition of 15 new operational Fitness centers since Q3 2021. In addition to the accounting of a one-off rent concession during the same quarter of last year amounted to SR 11.3m
- An increase in Finance cost by 7.5% mainly due to the increase in interest rate compared to similar quarter of the last year.

This came despite of the following:

An increase in revenue by SR 10.6M compared to the similar quarter of last year.

- A decrease in General & administrative expenses by 5% mainly due to the decrease in government fees due to timing differences in iqama payments partly offset by an increase in bank commissions.
- Reversal of Expected Credit Loss expenses amounting to SR 2.6 million.

Weighted average cost of borrowings approximate 5.7% during Q3 2022 comparing last year of 2.2% due to increase in SIBOR, partly offset by better negotiation of banks' commissions.

Statement of Profit & Loss

SR M	Q3 2022	Q3 2021	Δ	Δ%
Revenue	264.5	253.8	10.6	4.18%
Cost of revenue	(157.3)	(125.4)	(31.9)	25.43%
Gross profit	107.2	128.5	(21.3)	(16.56%)
Gross profit Margin	40.53%	50.60%	(10.08%)	(19.91%)
General and administrative expenses	(24.6)	(25.9)	1.3	(4.90%)
Advertising and marketing expenses	(2.9)	(2.5)	(0.4)	17.00%
Impairment loss on fixed assets and advances to suppliers	0.0	(10.9)	10.9	(100.00%)
Impairment loss on financial assets	2.7	0.6	2.1	363.40%
Other (expenses) / income, net	0.0	0.0	0.0	
Operating income	82.3	89.7	(7.4)	(8.30%)
Operating income Margin	31.10%	35.34%	(4.23%)	(11.98%)
Finance charges	(12.5)	(11.6)	(0.9)	7.53%
Net income before Zakat	69.8	78.1	(8.3)	(10.65%)
Zakat	(1.7)	(1.9)	0.2	(9.45%)
Net income	68.1	76.2	(8.1)	(10.68%)
Net income Margin	25.74%	30.02%	(4.28%)	(14.26%)
Basic earnings per shares	1.30	1.45	(0.2)	(10.68%)
EBITDA	140.3	141.3	(1.0)	(0.71%)
EBITDA Margin	53.04%	55.65%	(2.61%)	(4.69%)

9M 2022 P&L

Key Messages:

The increase in net profit by 25% due to:

- Increase in Revenue by SR 105 million. The increase in revenue during the period was mainly due to the addition of 15 new operational Fitness centers, in addition to more operating days, as a result of 30 days closure during last year.

This came despite of the following:

- Increase in cost of revenue by SR 82 million due to the addition of 15 new operational Fitness centers, in addition to more operating days during the period.
- Increase in general & administrative expenses by 4% due to the increase in staff cost, IT and bank commissions.
- Increase finance cost by 6% due to higher interest rates.

Statement of Profit & Loss

SR M	9M 2022	9M 2021	Δ	Δ%
Revenue	729.1	624.3	104.8	16.79%
Cost of revenue	(458.1)	(376.6)	(81.5)	21.65%
Gross profit	270.9	247.7	23.3	9.40%
Gross profit Margin	37.16%	39.67%	(2.51%)	(6.33%)
General and administrative expenses	(69.7)	(66.8)	(2.9)	4.32%
Advertising and marketing expenses	(10.1)	(10.6)	0.5	(5.06%)
Impairment loss on fixed assets and advances to suppliers	0.0	(12.9)	12.9	(100.00%)
Impairment loss on financial assets	(0.1)	1.0	(1.1)	(106.83%)
Other (expenses) / income, net	0.0	0.0	0.0	
Operating income	191.1	158.4	32.8	20.68%
Operating income Margin	26.22%	25.37%	0.85%	3.33%
Finance charges	(37.3)	(35.1)	(2.1)	6.08%
Net income before Zakat	153.9	123.3	30.6	24.85%
Zakat	(3.8)	(3.1)	(0.6)	20.57%
Net income	150.1	120.1	30.0	24.96%
Net income Margin	20.59%	19.24%	1.35%	6.99%
Basic earnings per shares	2.87	2.29	0.6	24.96%
EBITDA	362.3	311.7	50.6	16.23%
EBITDA Margin	49.70%	49.93%	(0.24%)	(0.48%)

Q3 COR & SG&A

Key Messages:

COR & COR/Center

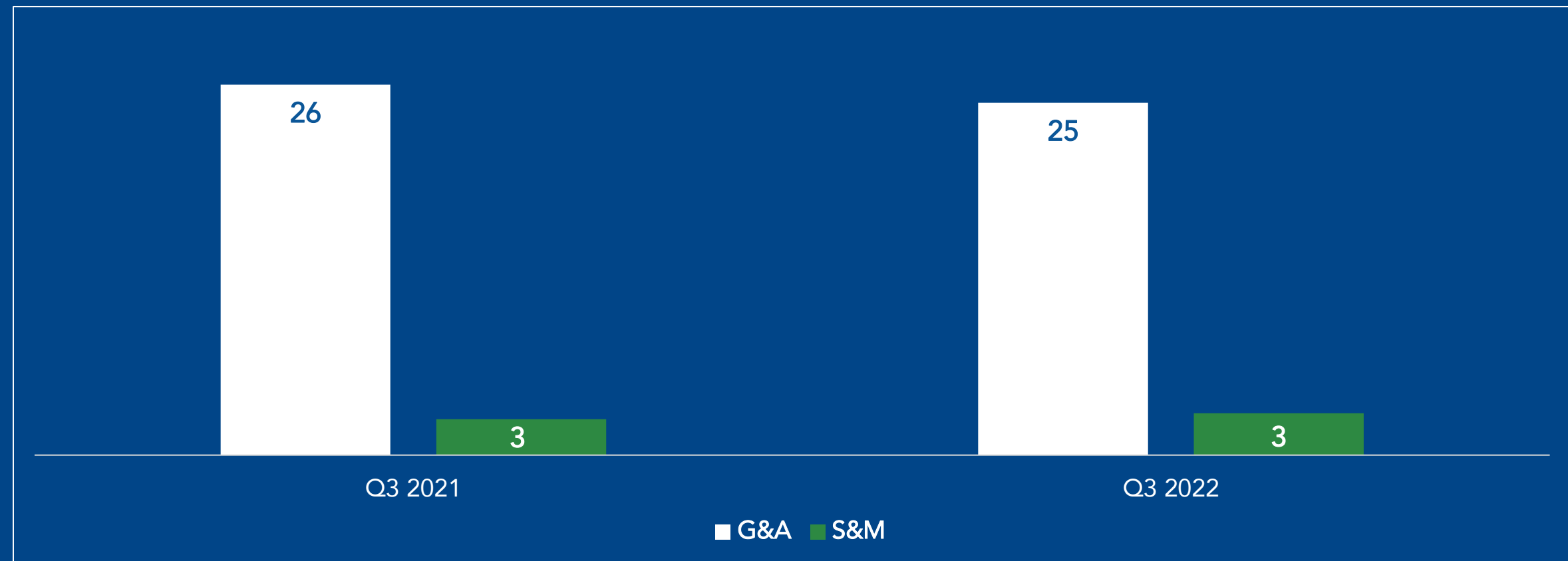
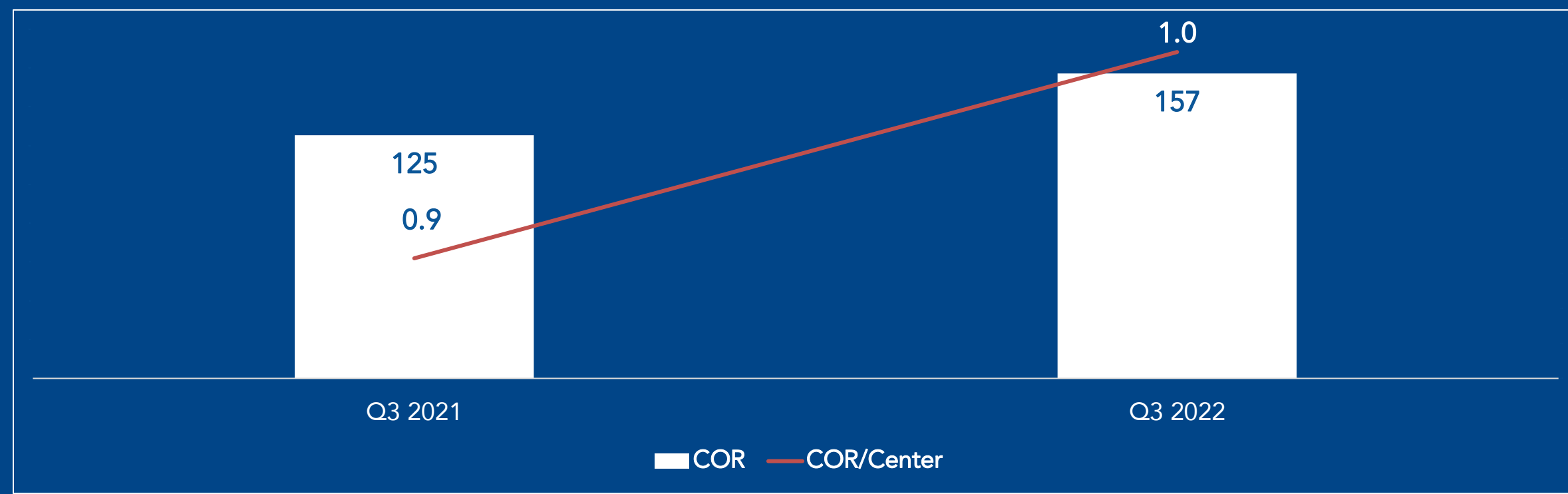
COR per center increased by 13% (normalized 4%) and the overall cost of revenue increased by 25% (normalized 15%) which was due to additional 15 new operational centers since Q3 2021, in addition to the accounting of a one-off rent concession during the same quarter of last year amounted to SR 11.3m

G&A

G&A decreased by 1.3M mainly driven by timing differences in iqama payments partly offset by an increase in bank commissions.

S&M

S&M increased by 0.4M mainly driven by marketing cost of the Saudi National Day Campaign.



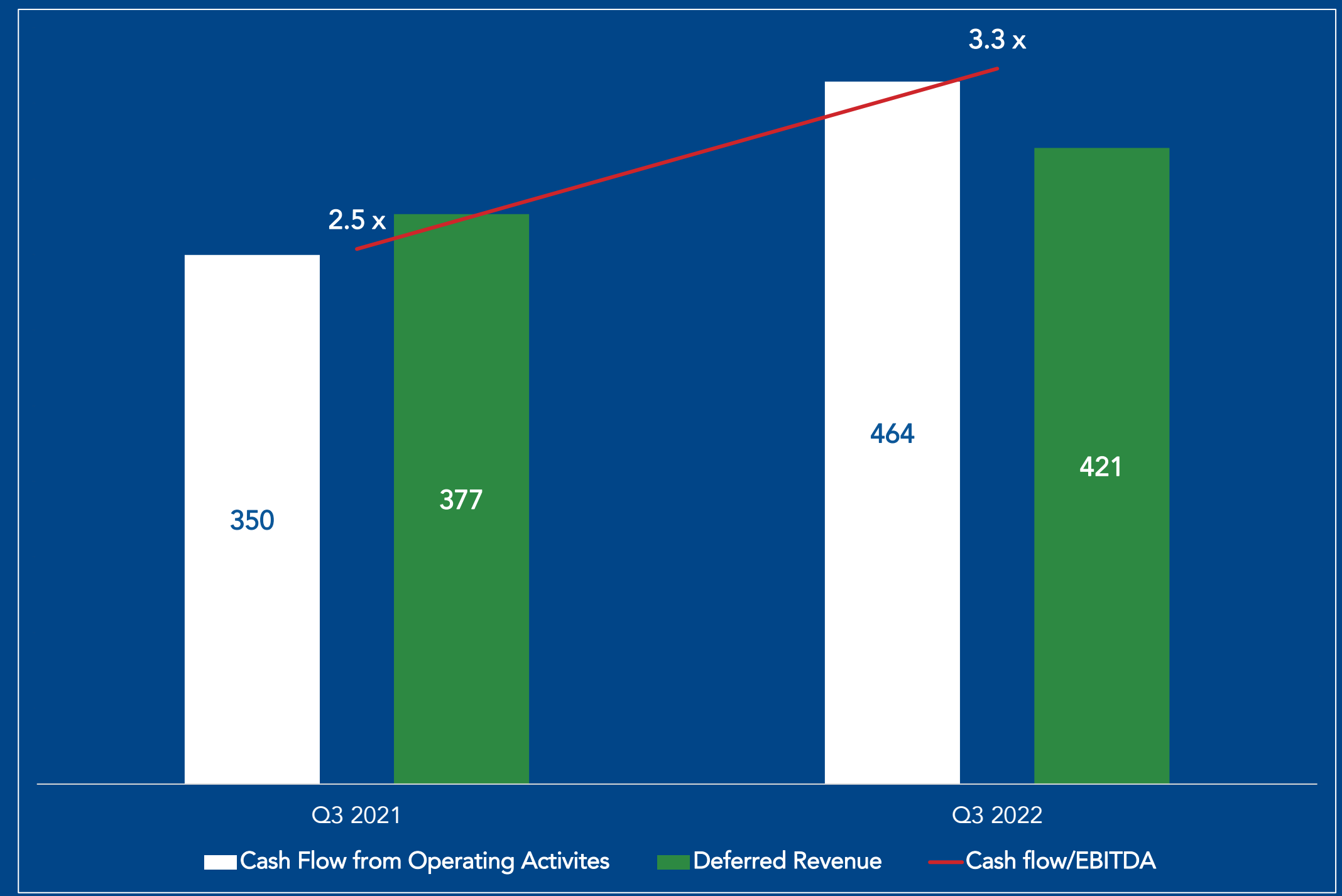
Amounts in million (SAR)

CASH GENERATION

Key Messages:

Cash Flow from Operations:
Increased mainly due to higher subscription sales in Q3 2022.

Deferred Revenue:
Increased by 12% as result of the increase in number of operational centers & the Saudi National Day Campaign during September 2022.



Amounts in million (SAR)

OUTLOOK 2022



TENTATIVE GUIDANCE

2022 growth will be driven by:

- Further openings of Xpress Clubs
- Further openings of Big Box centers
- Expanding corporate & PT business
- Cost control, and improving customer experience, member retention & services.

Category	Current (Centers)	Expected (Centers Range)
	30-Sep-22	31-Dec-22
Female - Xpress	4	5 to 6
Female - Big Box	38	42 to 44
Male - Big Box	92	93 to 95
Male - Xpress	19	17 to 19
Total	153	157 to 164

Category	Expected CAPEX (Range) SAR M
	Per Center
Xpress Format	2.5M to 5M
Big Box Format	15M to 20M



Q&A

THANK YOU

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