



EARNINGS PRESENTATION

1H 2023

TABLE OF CONTENTS

I. DISCLAIMER	3
II. COMPANY'S PROFILE & OVERVIEW	4
III FINANCIAL PERFORMANCE	9
IV. OUTLOOK 2022	16

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**COMPANY'S PROFILE
& OVERVIEW**





OUR VISION

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

OUR MISSION

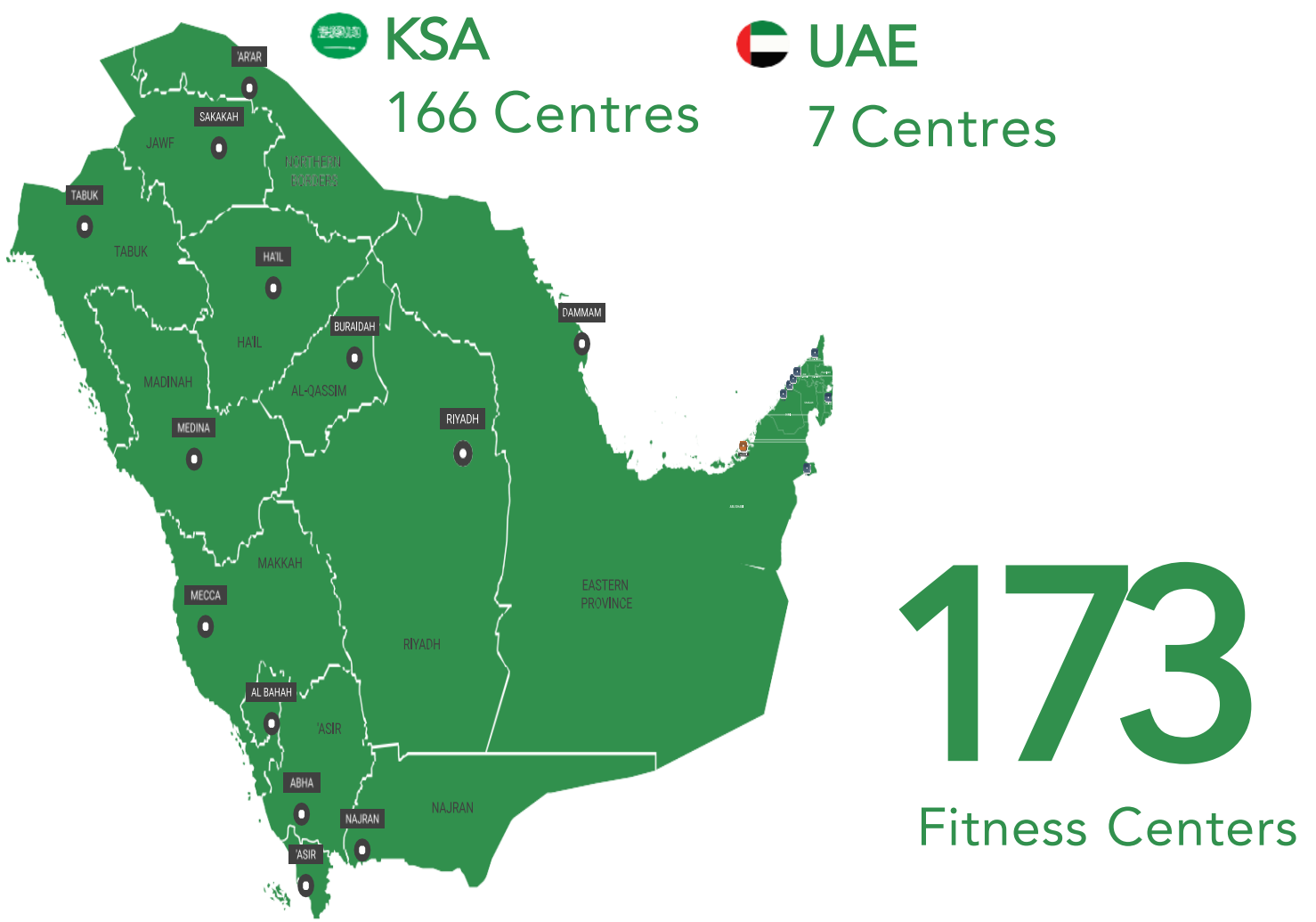
To steer society towards a healthy lifestyle and encourage people to exercise daily.

OUR VALUES

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

LEEJAM BRANDS & VALUE PROPOSITION

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.



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 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.



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.

Concept Studios

Concept Studios offering is for users seeking specialized services & sports such as boxing, yoga, one to one PT, group exercise, martial arts, etc. It is usually deployed faster than typical gym with much less Capex requirement and space area. Based on its lower space area compared to typical gym or even small box gym, concept studios would have much lower member/studio.

Key Features								Concept Studios	Total
	Males 25+	Males 16+	Males 16+	Males 16+	Females 16+	Females 16+	Females 16+		
Target audience								Male, Female & Kids	
No. of Centers EOP June 2023	4	54	36	22	37	4	6	10	173

Q2 & 1H 2023 FINANCIAL HIGHLIGHTS

FITNESS TIME OPERATING HIGHLIGHTS

Item (SAR M)	Q2 2023	H1 2023
Revenue	301.8	578.7
Gross profit	124.2	232.9
Operating Profit	91.2	168.9
EBITDA	153.4	290.5
Net Profit	72.5	135.1
Cash and cash equivalents	100.4	100.4

Margins	Q2 2023	H1 2023
Gross Profit Margin	41.2%	40.2%
Operating Profit Margin	30.2%	29.2%
EBITDA Margin	50.8%	50.2%
Net Profit Margin	24.0%	23.3%

Female Segment

69K



Members

47



Centers

Male Segment

221K



Members

116



Centers

Corporate Segment

77K



Members

260+



Customers

Total

367K



Members

163



Centers

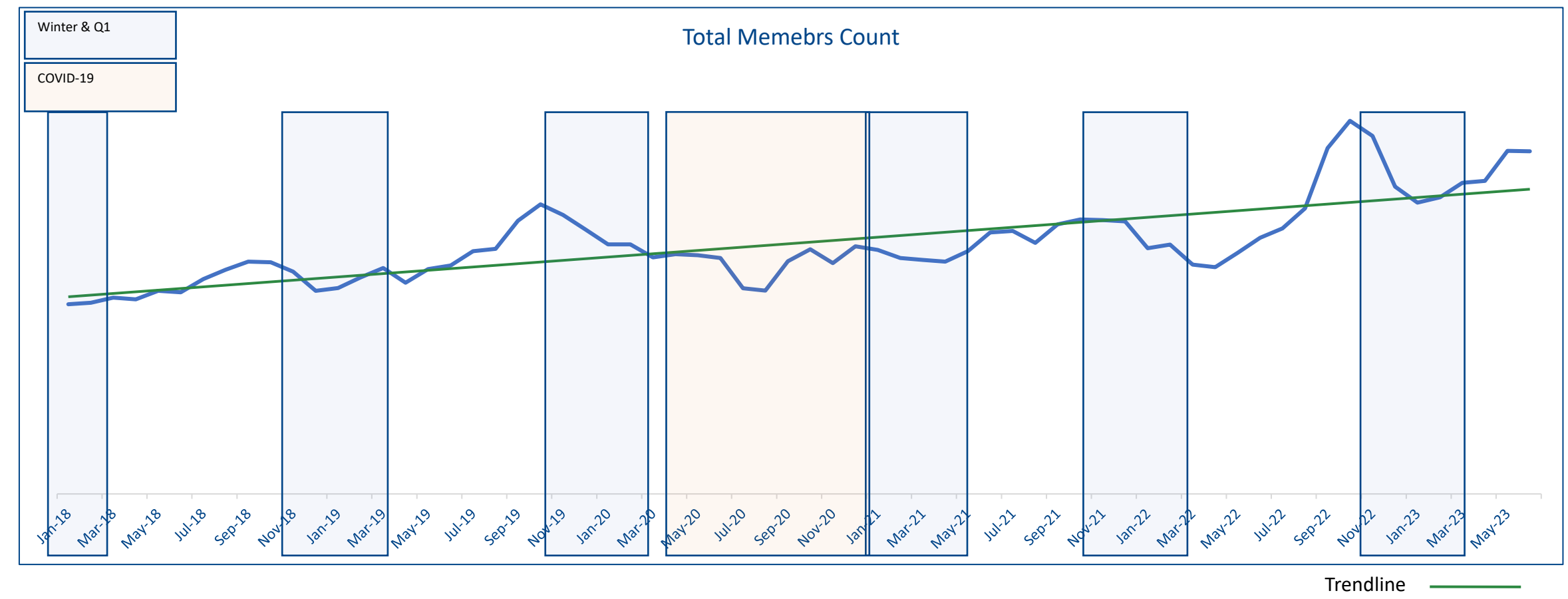
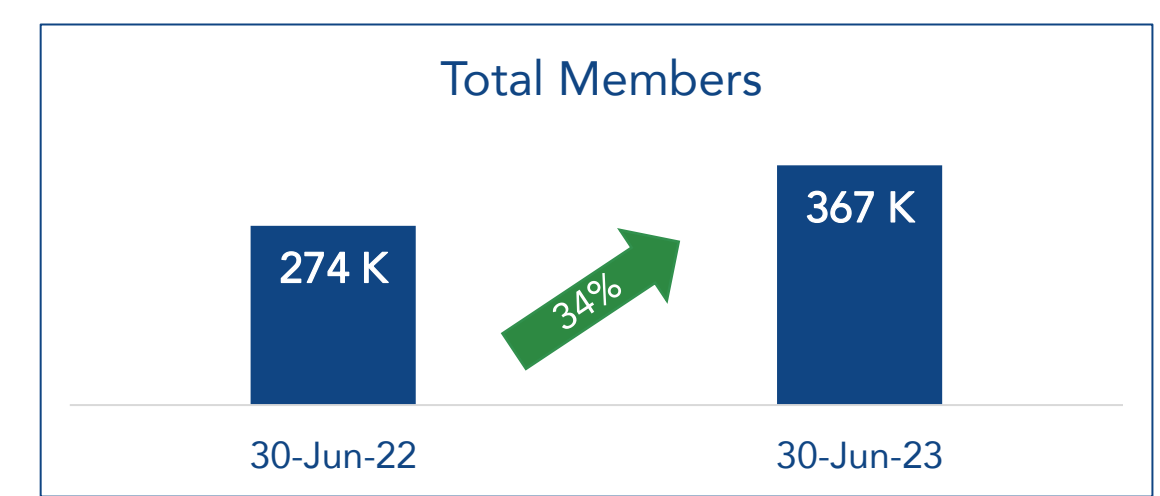
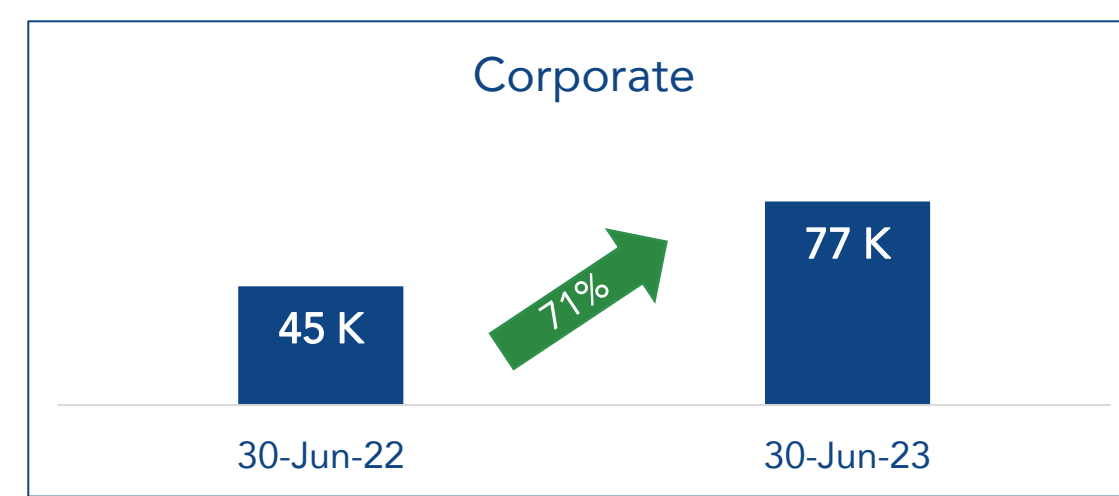
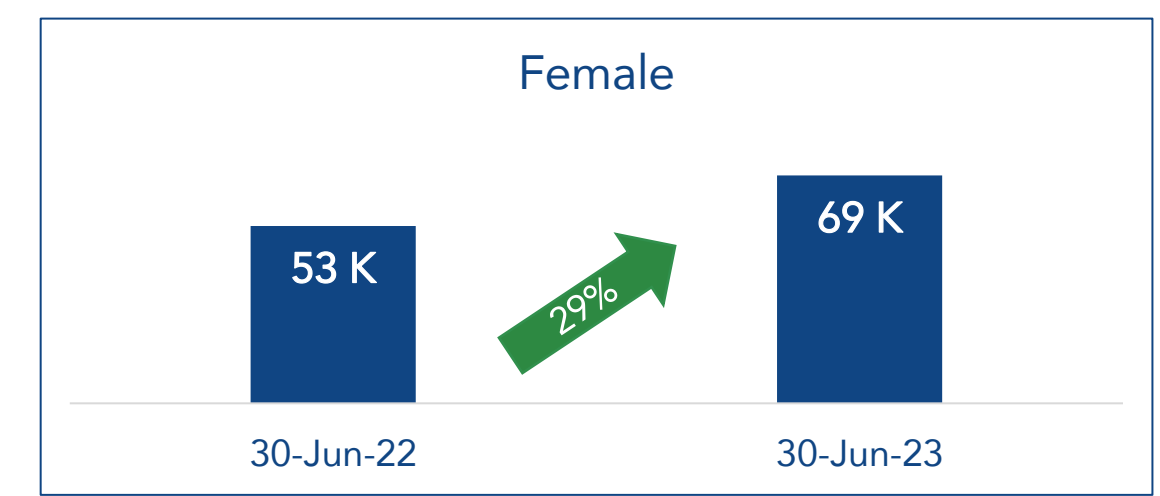
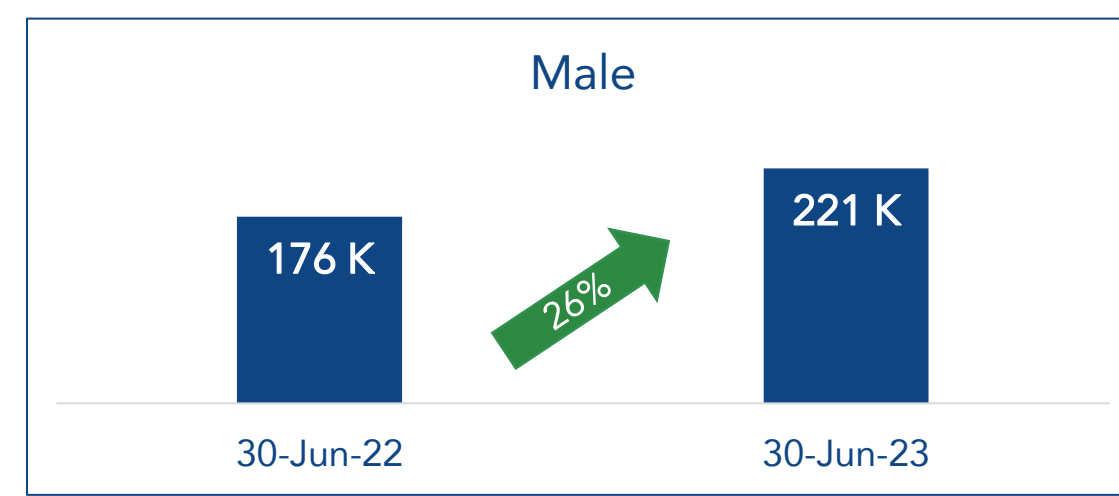
ACQUISITION CASE

- Leejam acquired a 100% of Al-Tatheer Sports Company (Tsports) for total transaction value of SR 12 million, Through its investment subsidiary, on 14 June 2023.
- Tsports operates 10 studios: 5 ladies, 4 men and 1 kids. The 2022 Tsport Revenue is SAR 19.5 million.
- The typical concept studio is about 1/3 of Fitness Time Xpress gym in terms of costs, average size, and Capex requirements.
- Based on its lower area space compared to typical gym or even small box gym, concept studios would have much lower member/studio.

LEEJAM MEMBERS DATA

Member Count Movement

- Memberships grew at end of Q2 2023 by 34% compared to the end of Q2 2022 level.
- The company's business is historically affected by seasonality, as the winter season is considered the least performing due to the improvement of the weather.
- The company's results in the first half of the year are typically less than second half in terms of revenues and profits.
- In 2023, the company's focused approach and better management of the business led to the reduction of the seasonality effect in 2023.
- We expect business seasonality to continue in the medium term.
- When comparing the company's results, it is necessary to look at the results on an annual basis for a comparison to be accurate.
- As we grow number of members, we will always have and expect expiries.
- B2B2C growth led by the enhancement of the digital experience of corporate members and the activation all enrolment channels.



**FINANCIAL
PERFORMANCE**



Q2 PROFITABILITY

Revenue

- Grew by 30% driven by volume as a result of adding 12 new centers since Q2 2022, focused approach as well as continuing the refurbishments program of existing centers.

Gross Profit

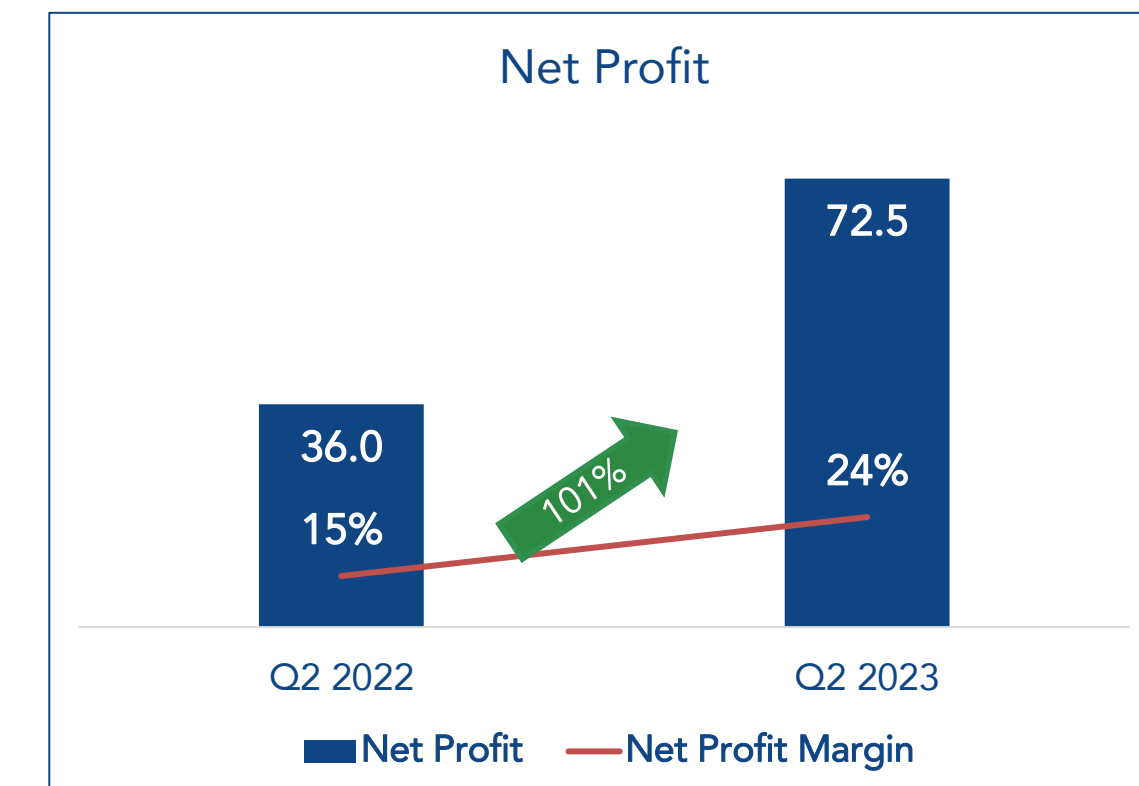
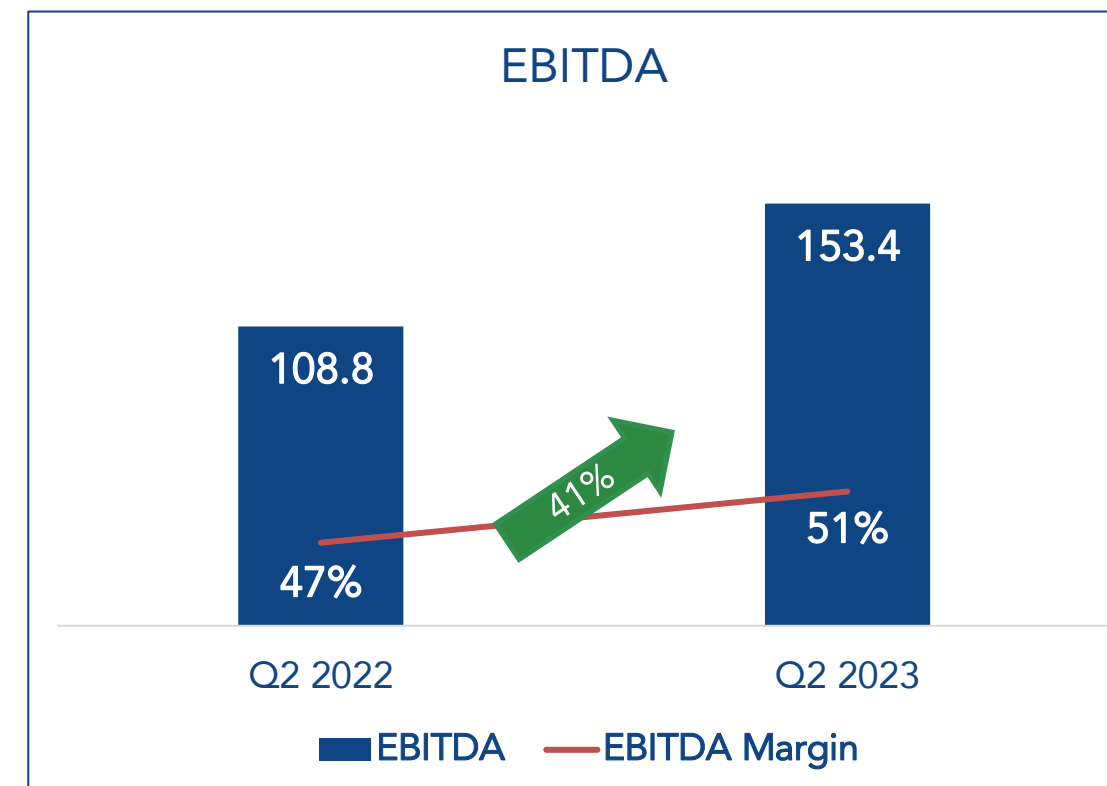
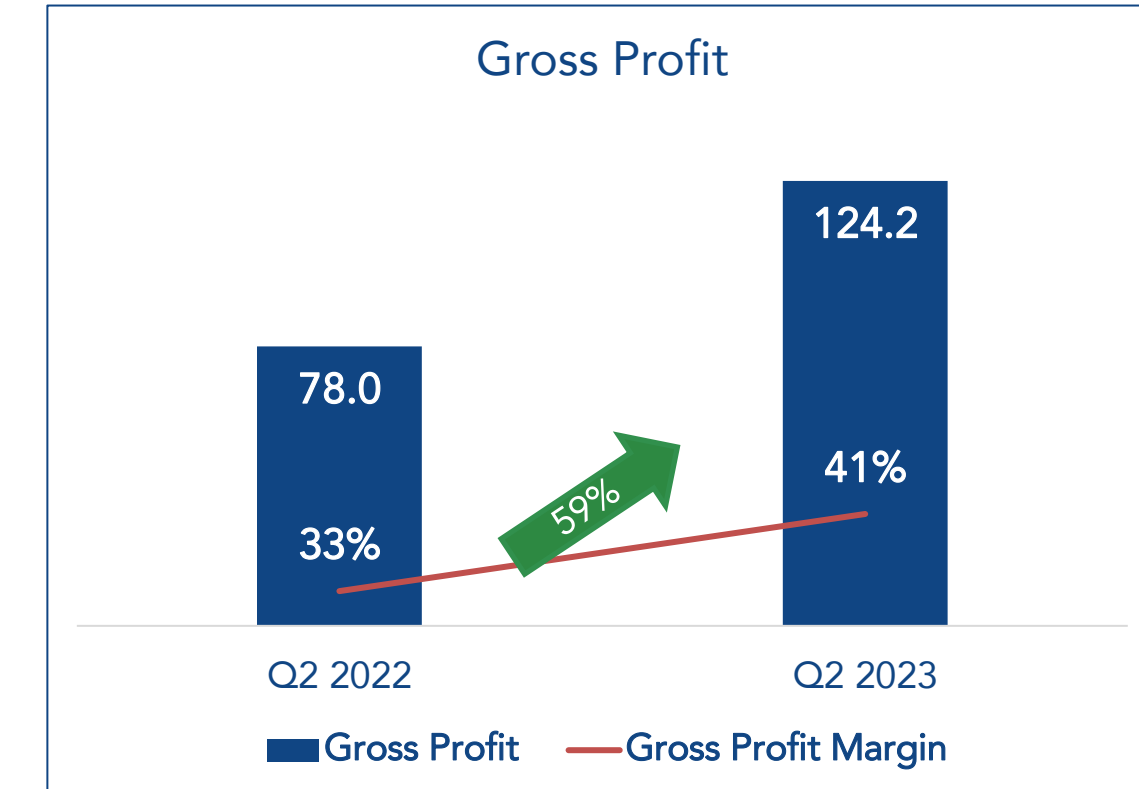
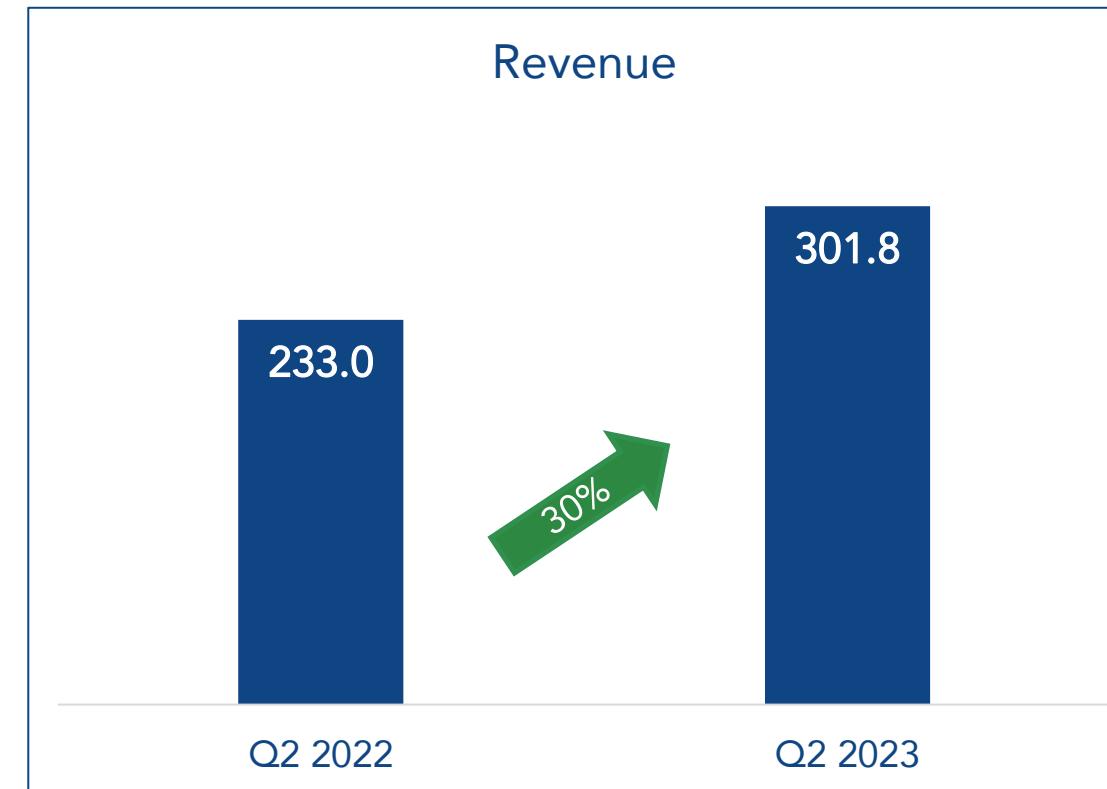
- Increase by 59% which was mainly driven by the increase in revenue.

EBITDA

- EBITDA growth of 41% was due to higher operating income.

Net Profit

- Increased by 101% mainly due to the increase in revenue and controlling costs.



Amounts in million (SAR)

1H PROFITABILITY

Revenue

- Grew by 25% driven by volume as company added 12 new centers since Q2 2022 as well as continuing the refurbishments program of existing centers.

Gross Profit

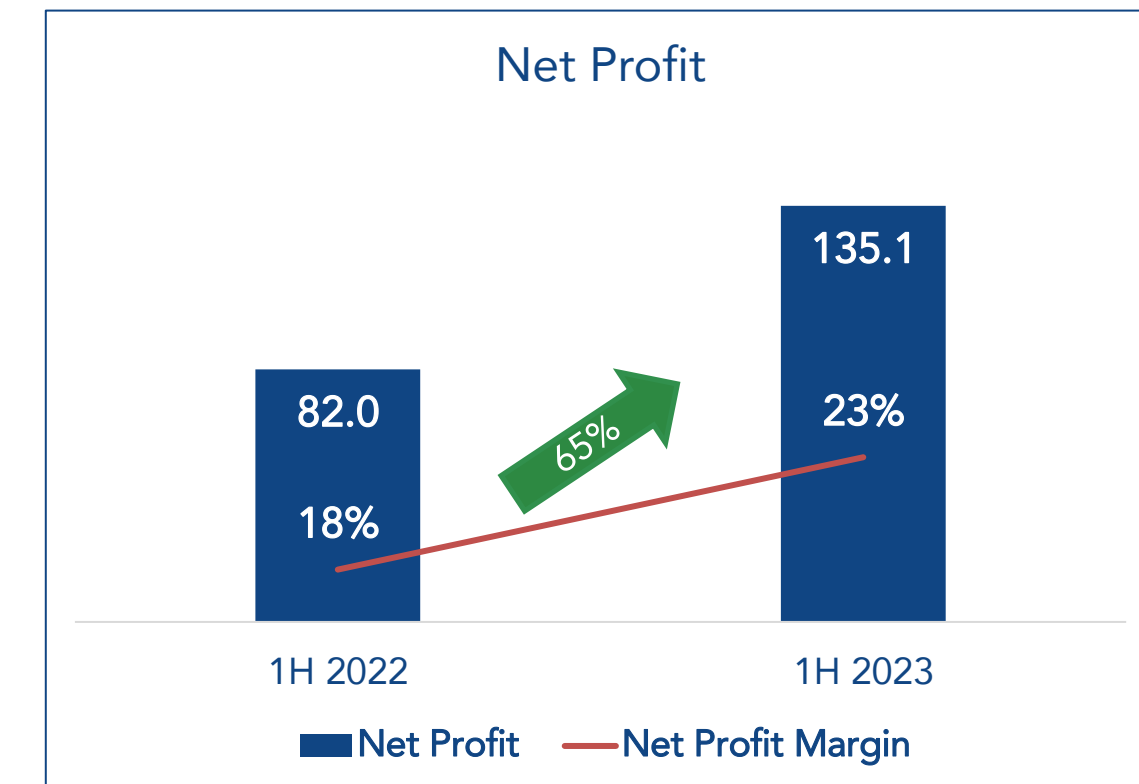
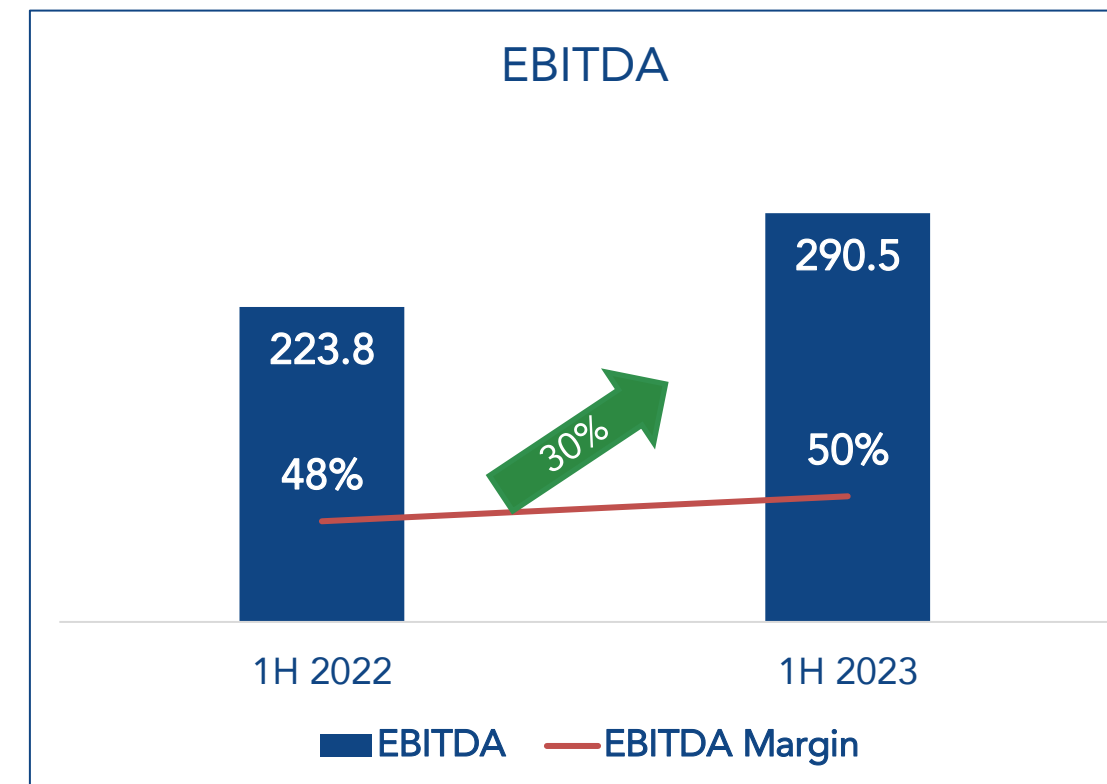
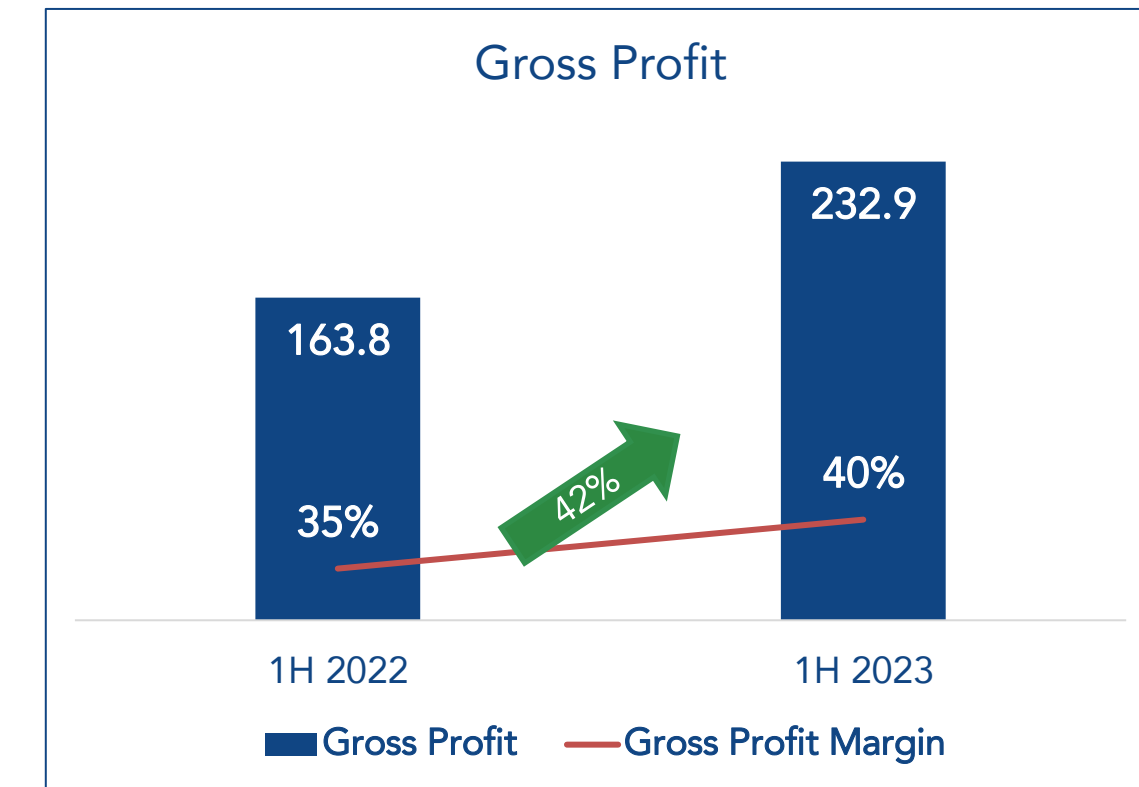
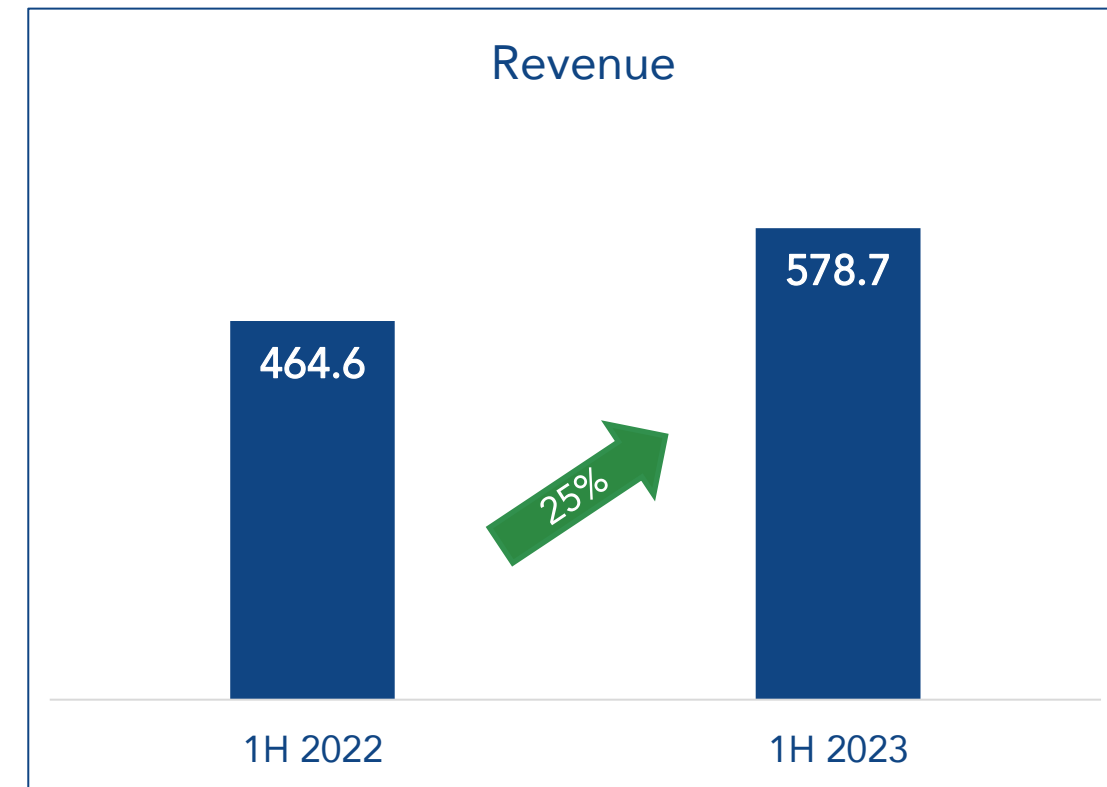
- Increase by 42% which was mainly driven by the increase in revenue.

EBITDA

- EBITDA growth of 30% was due to higher operating income.

Net Profit

- Increased by 65% mainly due to the increase in revenue and controlling costs.



Amounts in million (SAR)

FINANCIAL POSITION

Current Assets

Increased by 105% mainly due to the increase in Cash.

Cash and Cash equivalents

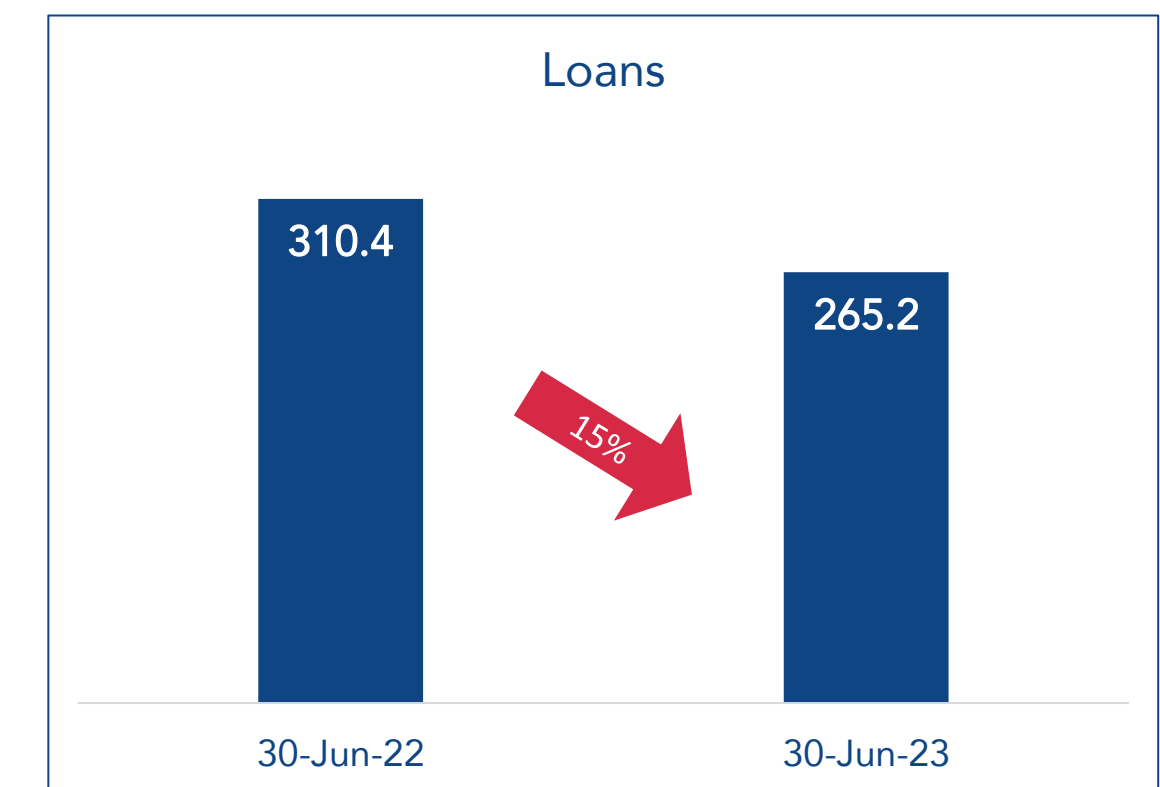
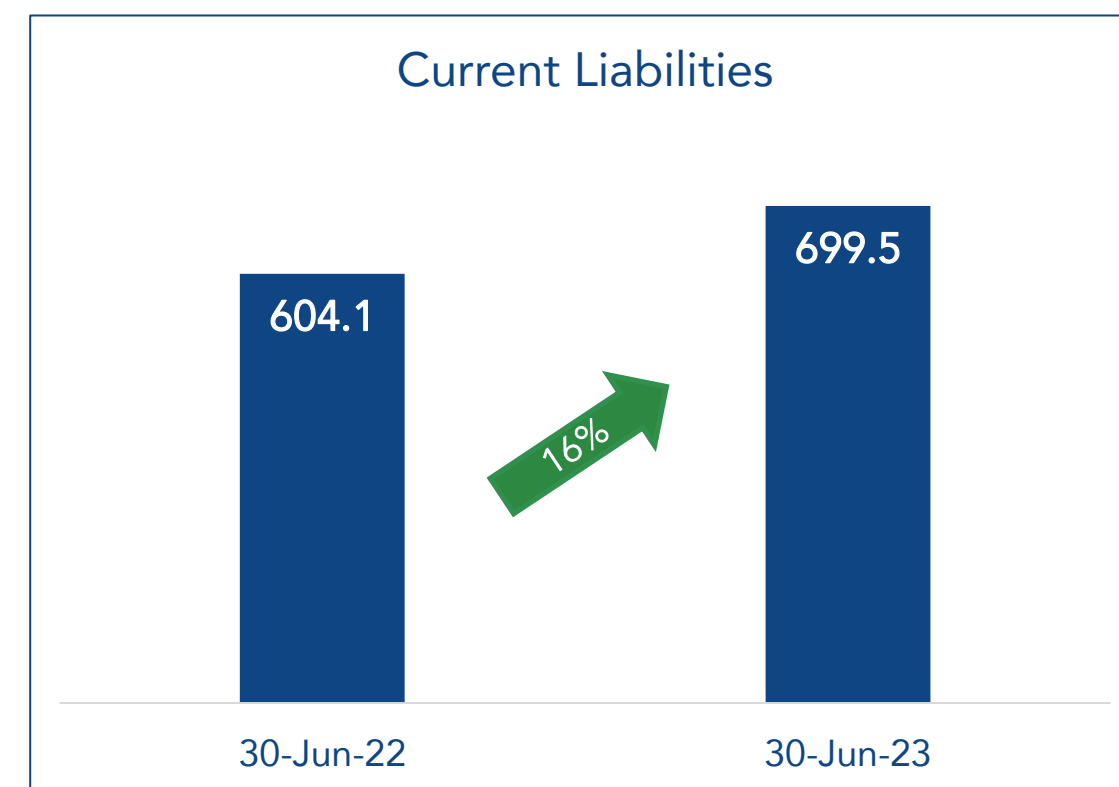
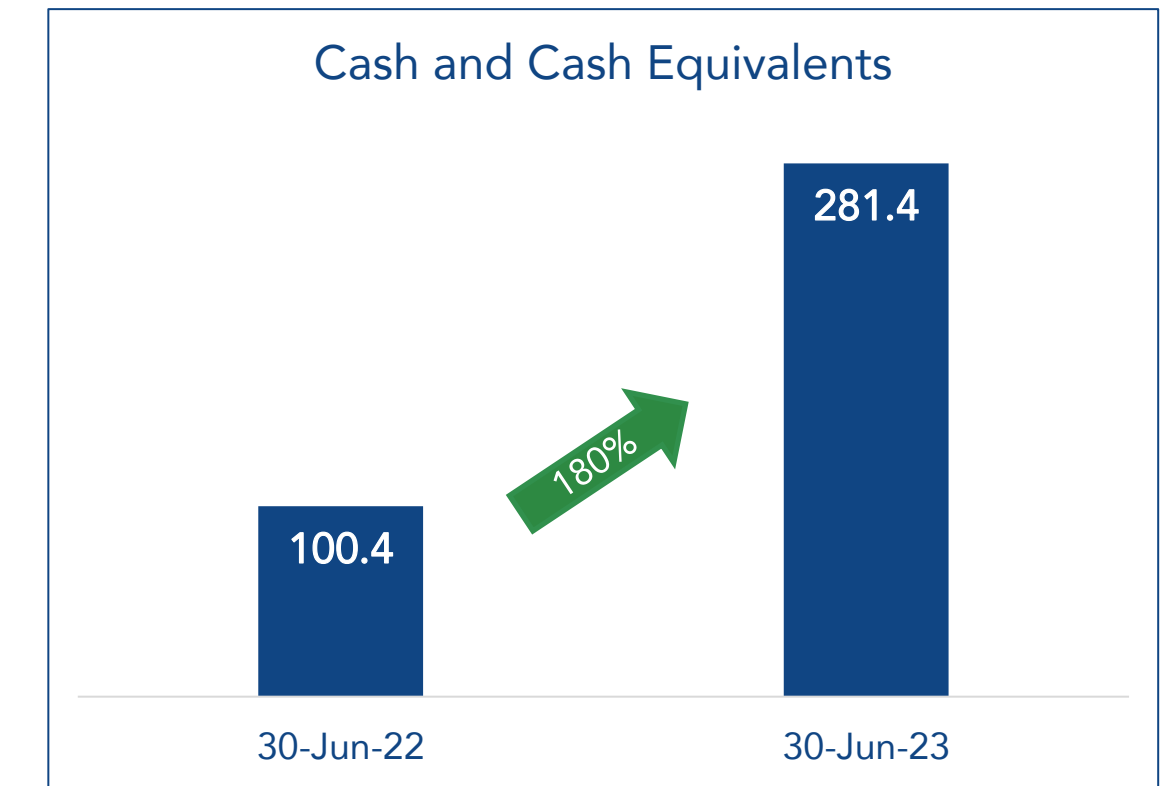
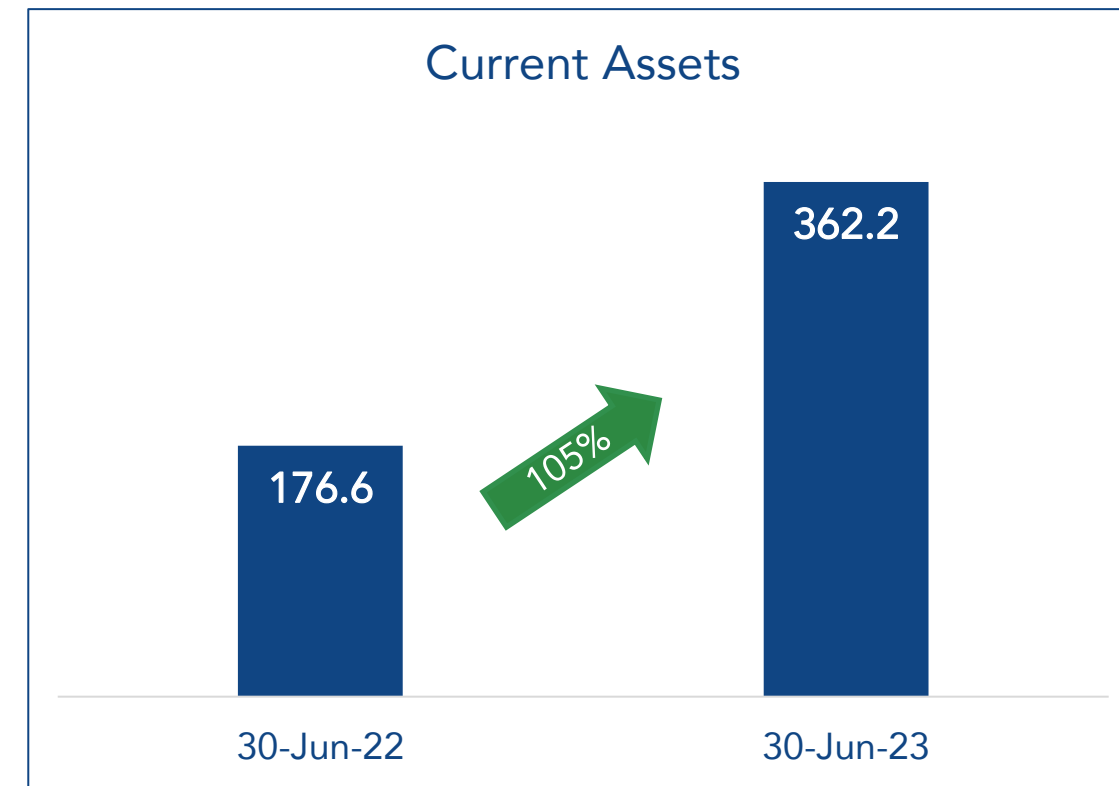
Increased by 180% mainly driven by higher subscriptions sales during the period.

Current Liabilities

Increased by 16% mainly due to the increase in deferred revenue by 28%.

Loan Balance

Loan balance decreased by (15%) due to continuing loans scheduled repayments.



Amounts in million (SAR)

CASH FLOWS

Cash Flow from Operations

Increased by 29% mainly due to increase in profit.

Investing Cash Flow

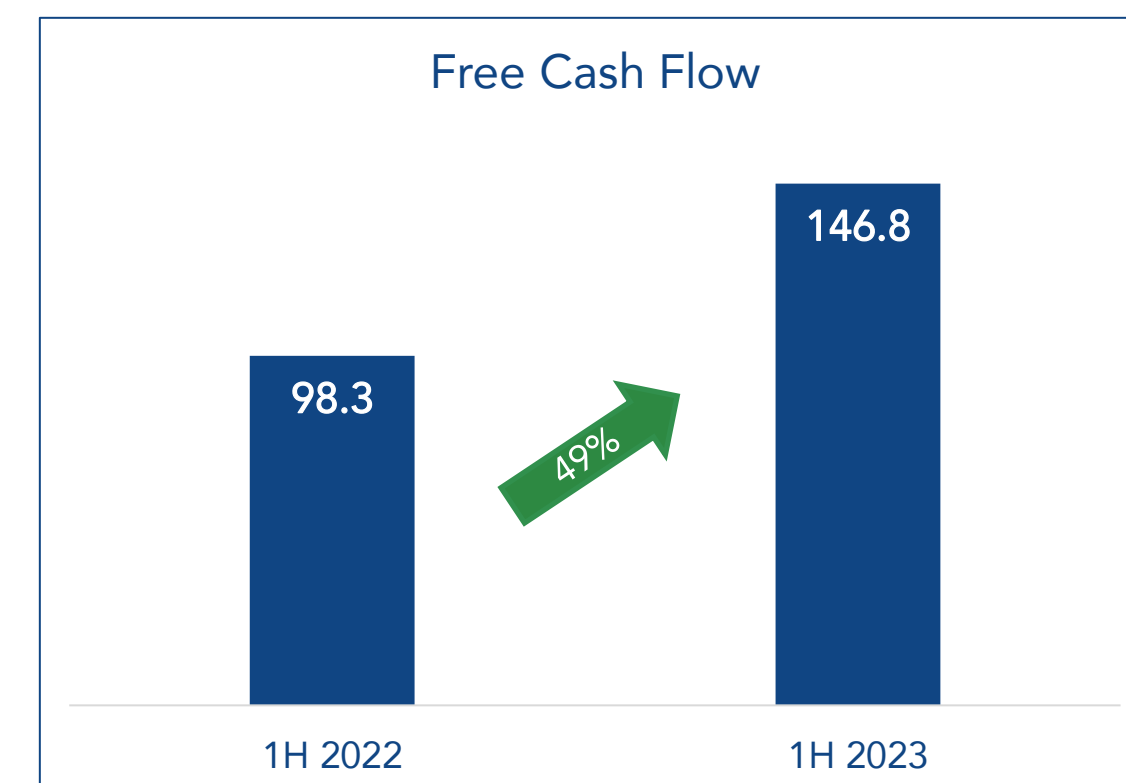
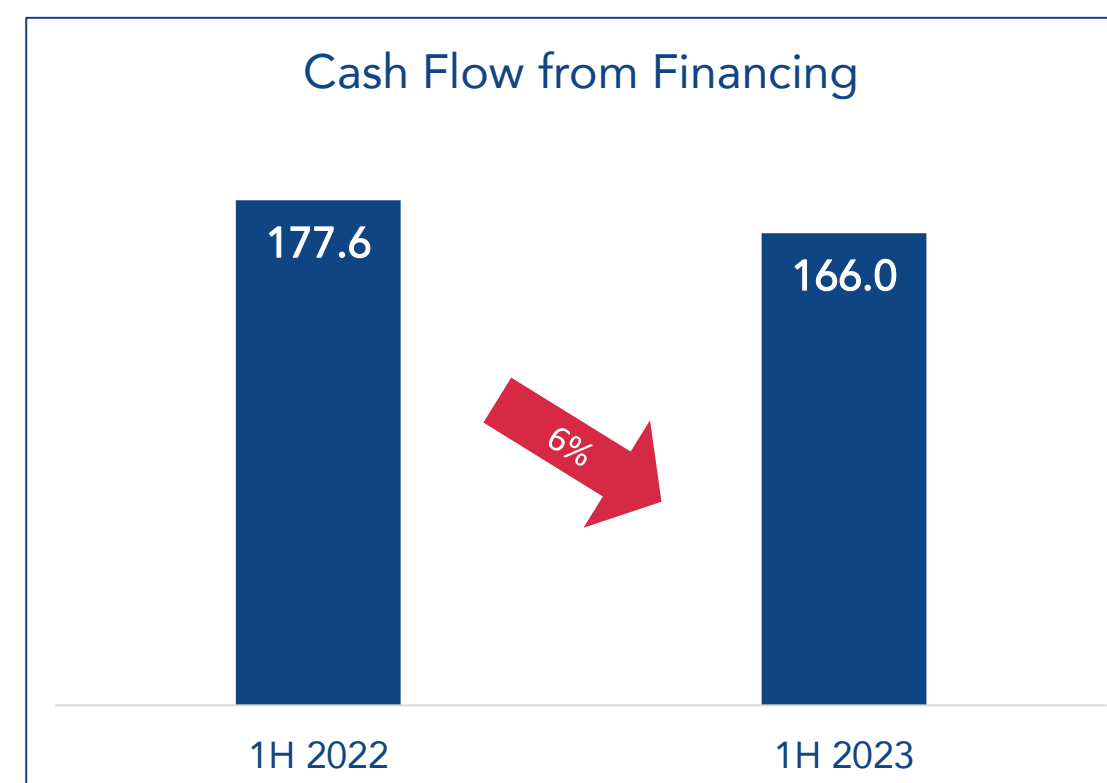
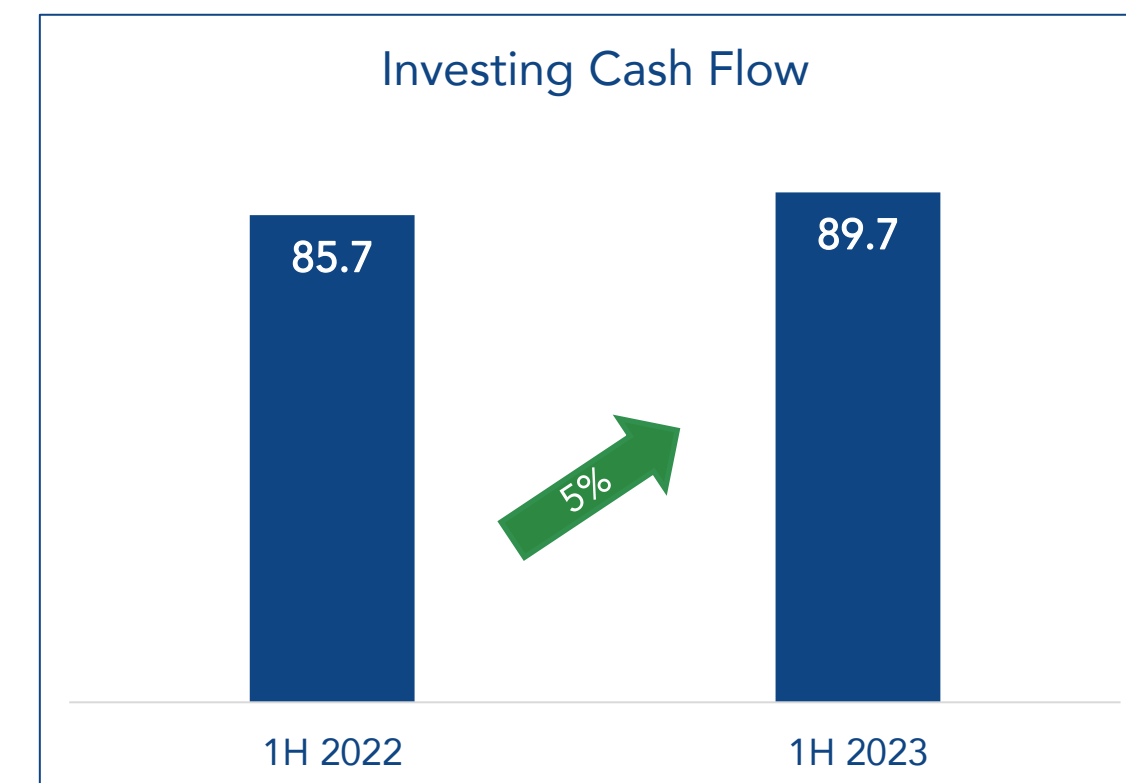
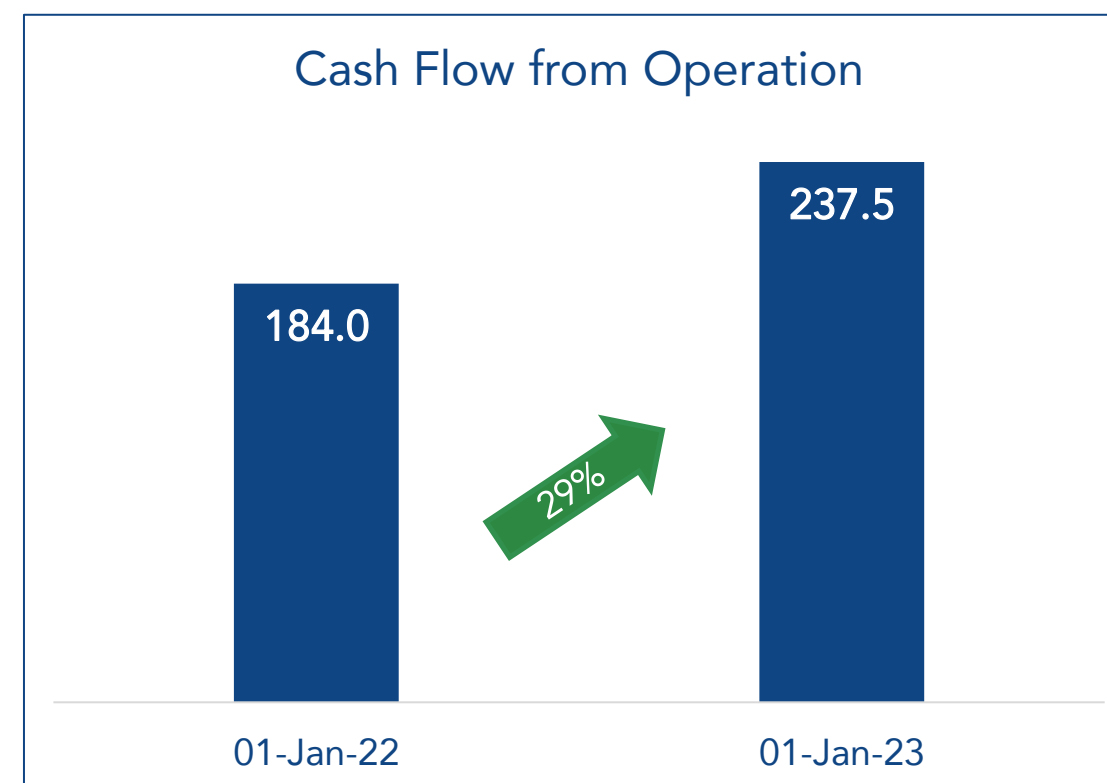
Increased by 5% mainly driven by the acquisition of Al Tatheer Sports Company.

Cash Flow from Financing

Decreased by 6% mainly due to higher loans draw down compared to Q2 2022, and profit from a Murabaha deposit .

Free Cash Flow

Increased by 49% due to the higher increase in operating cash flow.

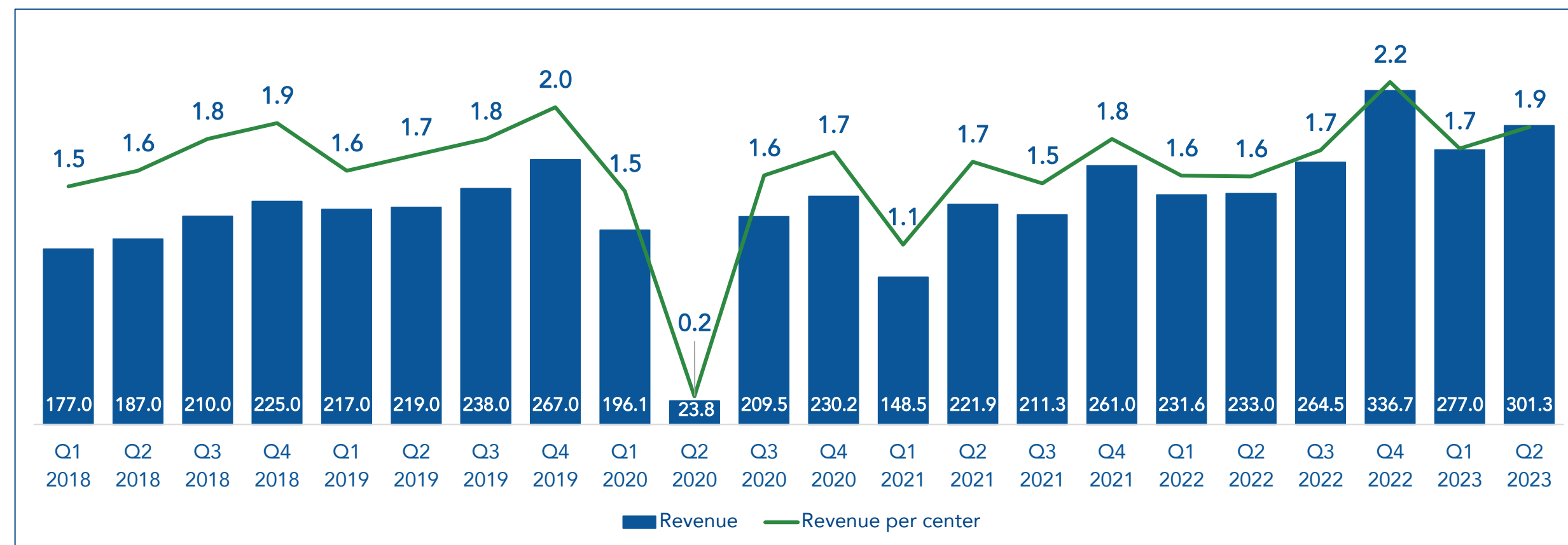


Amounts in million (SAR)

QOQ GROWTH

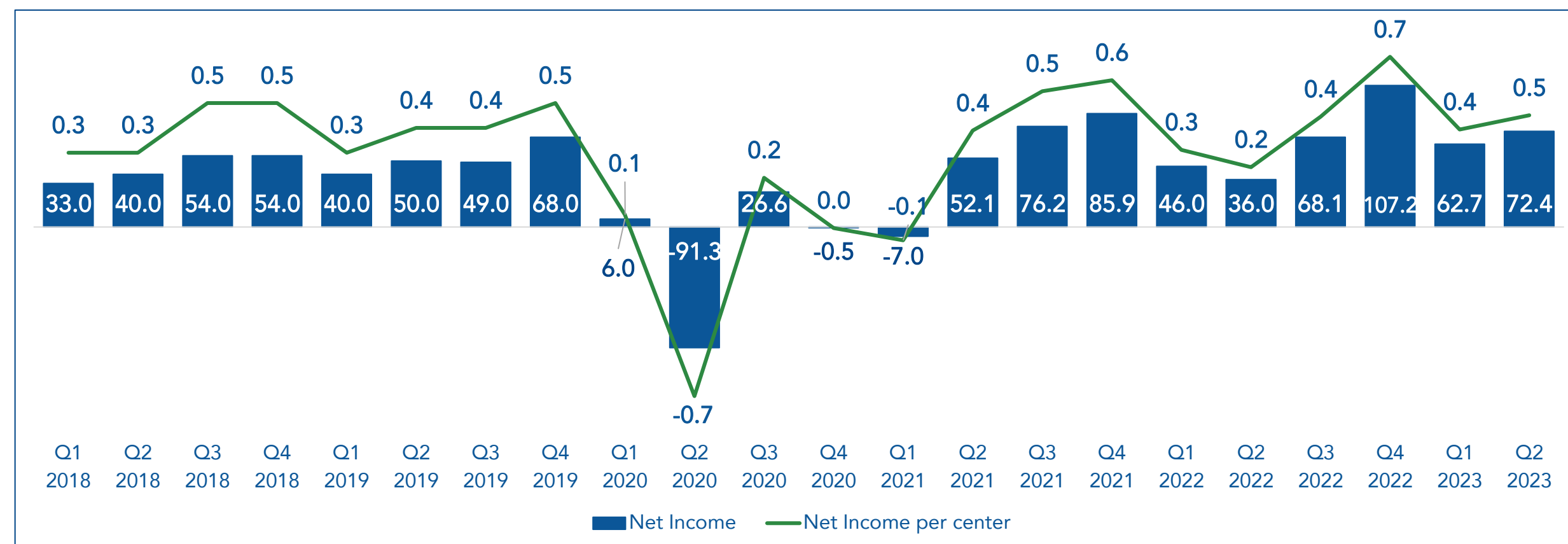
Revenue per center

- 20% higher compared to Q2 2022, mainly due to high number of members driven by additional centers.
- We expect revenue per center to decrease as Xpress Centers get more weight as it generate lower revenue compared to Big Box.



Net Income per center

86% higher compared to same quarter of last year mainly due to higher revenue and cost efficiency.



Amounts in million (SAR)

Q2 COR & SG&A

Key Highlights:

COR & COR/Center

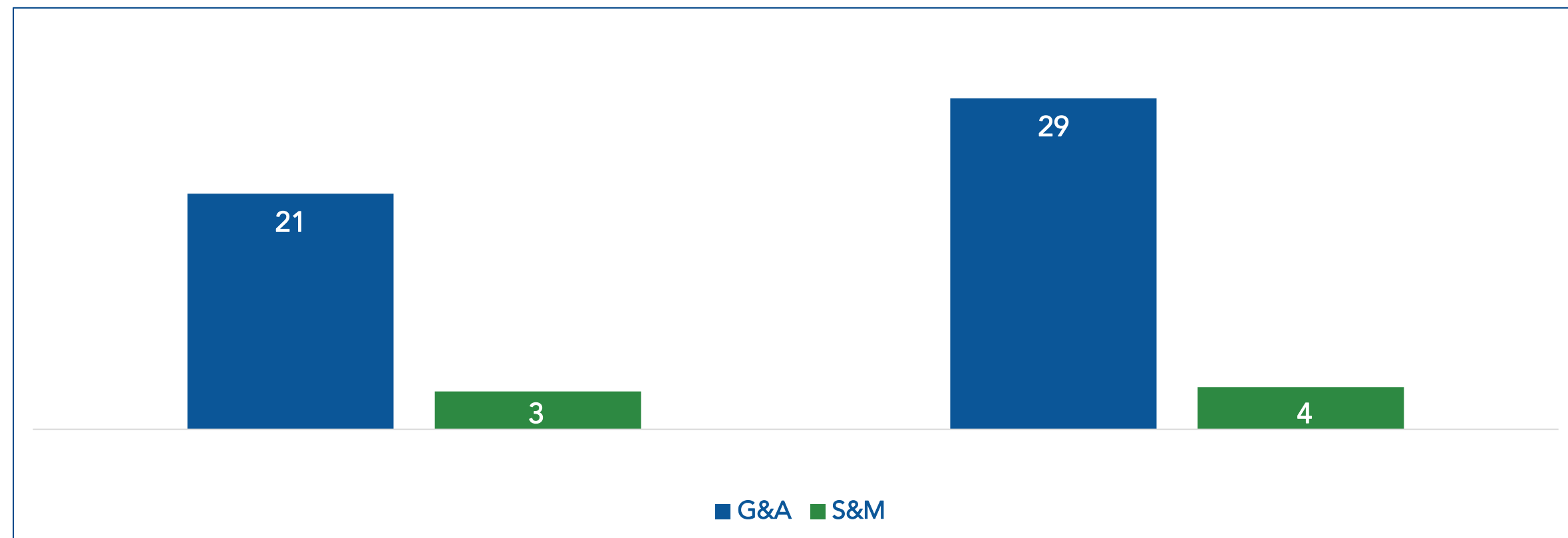
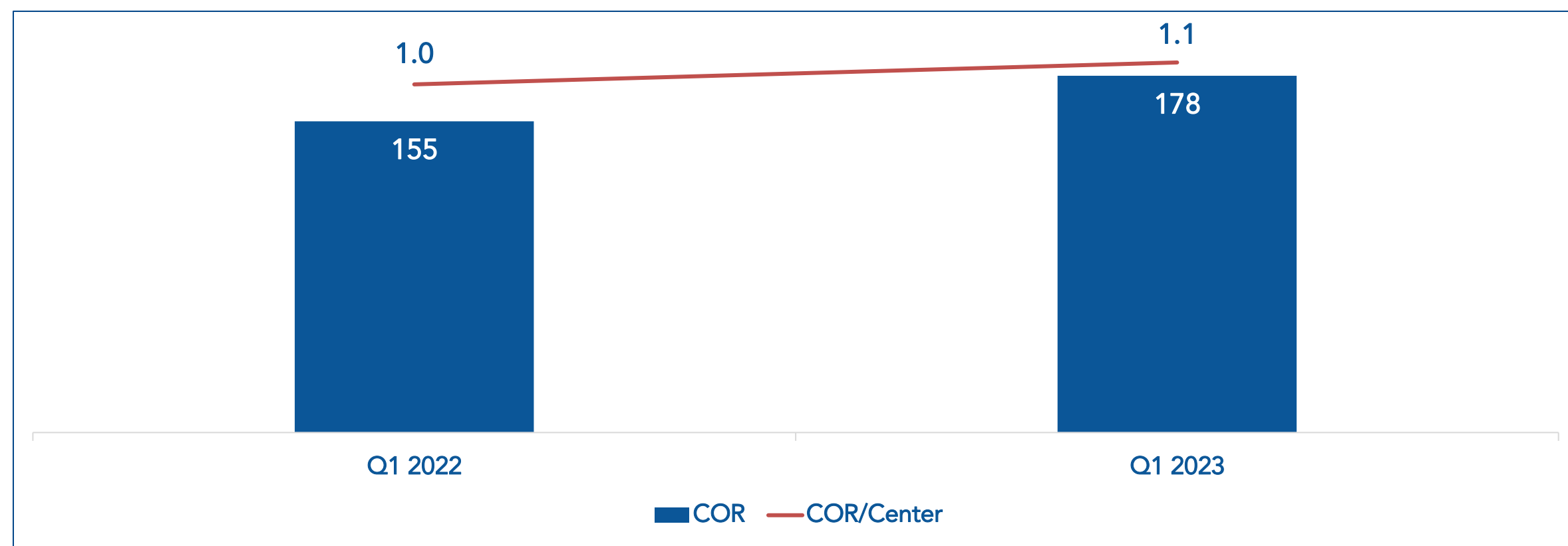
- Overall cost of revenue increased by 15% which was due to the additional (under ramp up) 12 centers compared to Q2 2022.
- COR per center increased by 6% due to the increase in maintenance, repair, and cleaning costs driven by the increase of the number of members, the continuation of club refurbishment program "Your Club has Changed", and the increase in number of centers operating 24 hours

G&A

G&A increased by 41% mainly driven by the investment in digitalization initiatives and personal, as well as increase in professional fees.

S&M

S&M increased by 12% mainly driven by more investment in marketing.



Amounts in million (SAR)

1H COR & SG&A

Key Highlights:

COR & COR/Center

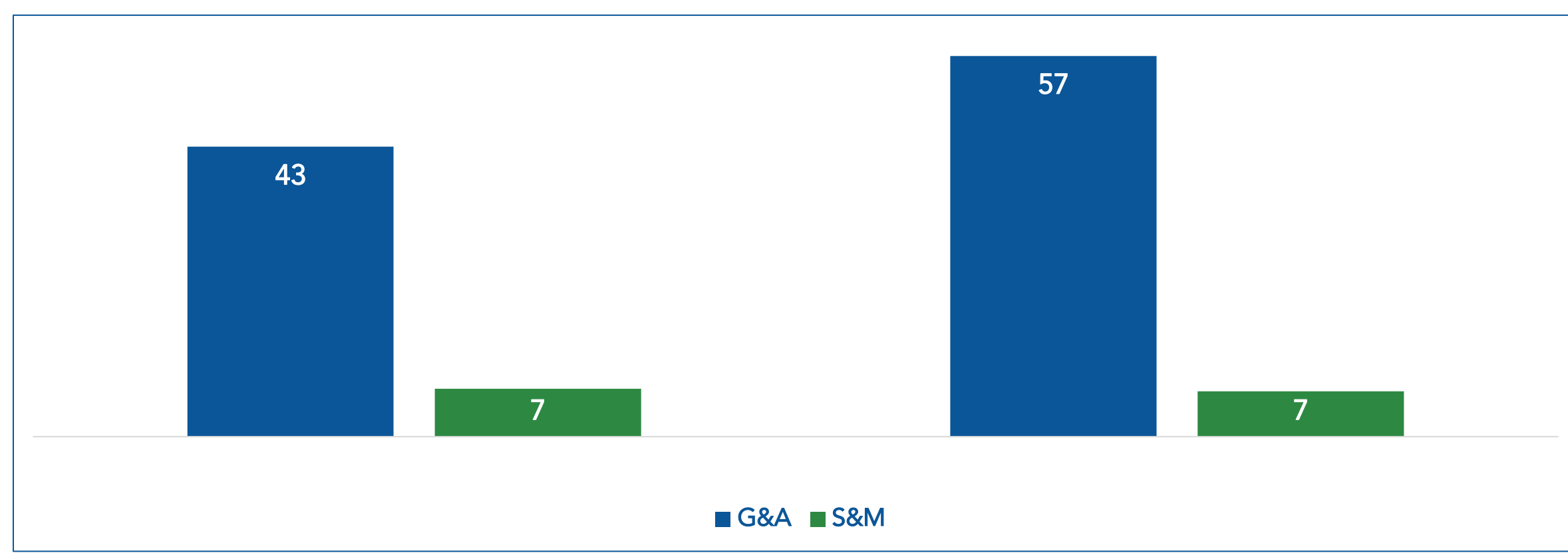
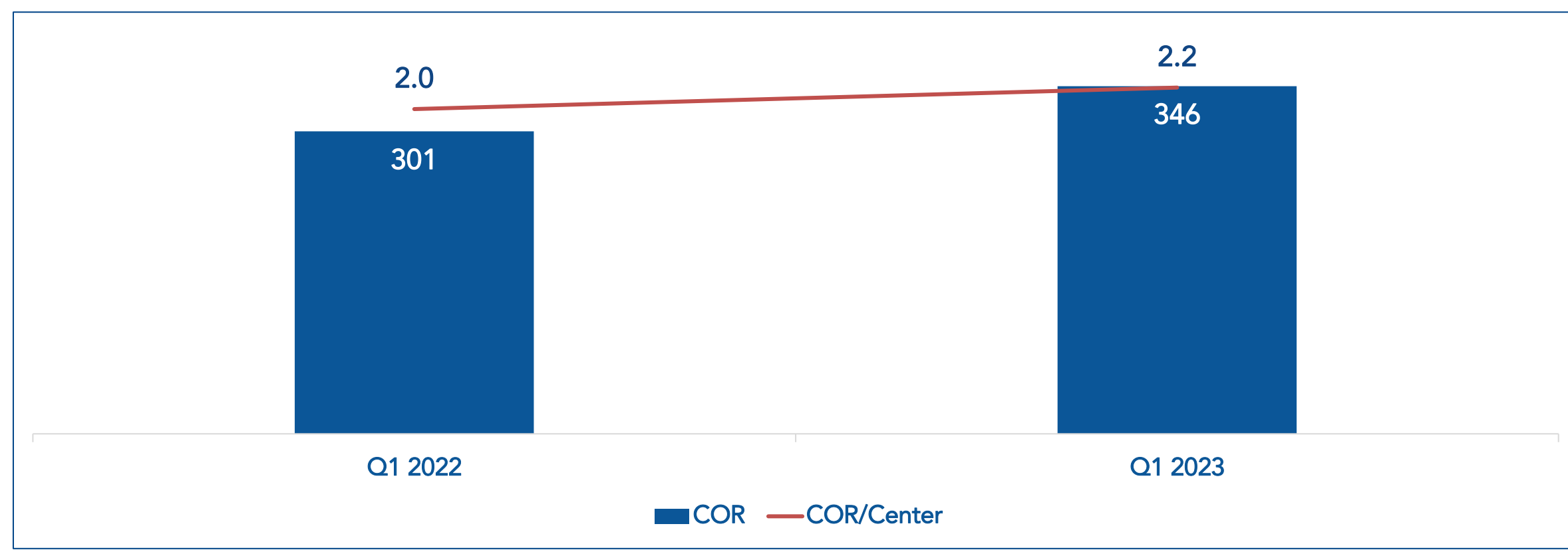
- Overall cost of revenue increased by 15% which was due to the additional (under ramp up) 12 centers.
- COR per center increased by 7% due to the increase in maintenance, repair, and cleaning costs driven by the increase of the number of members, the continuation of club refurbishment program "Your Club has Changed", and the increase in number of centers operating 24 hours

G&A

G&A increased by 31% mainly driven by the investment in digitalization initiatives and personal, as well as increase in professional fees.

S&M

S&M decreased by (5%) mainly driven by more seasonality of the business.



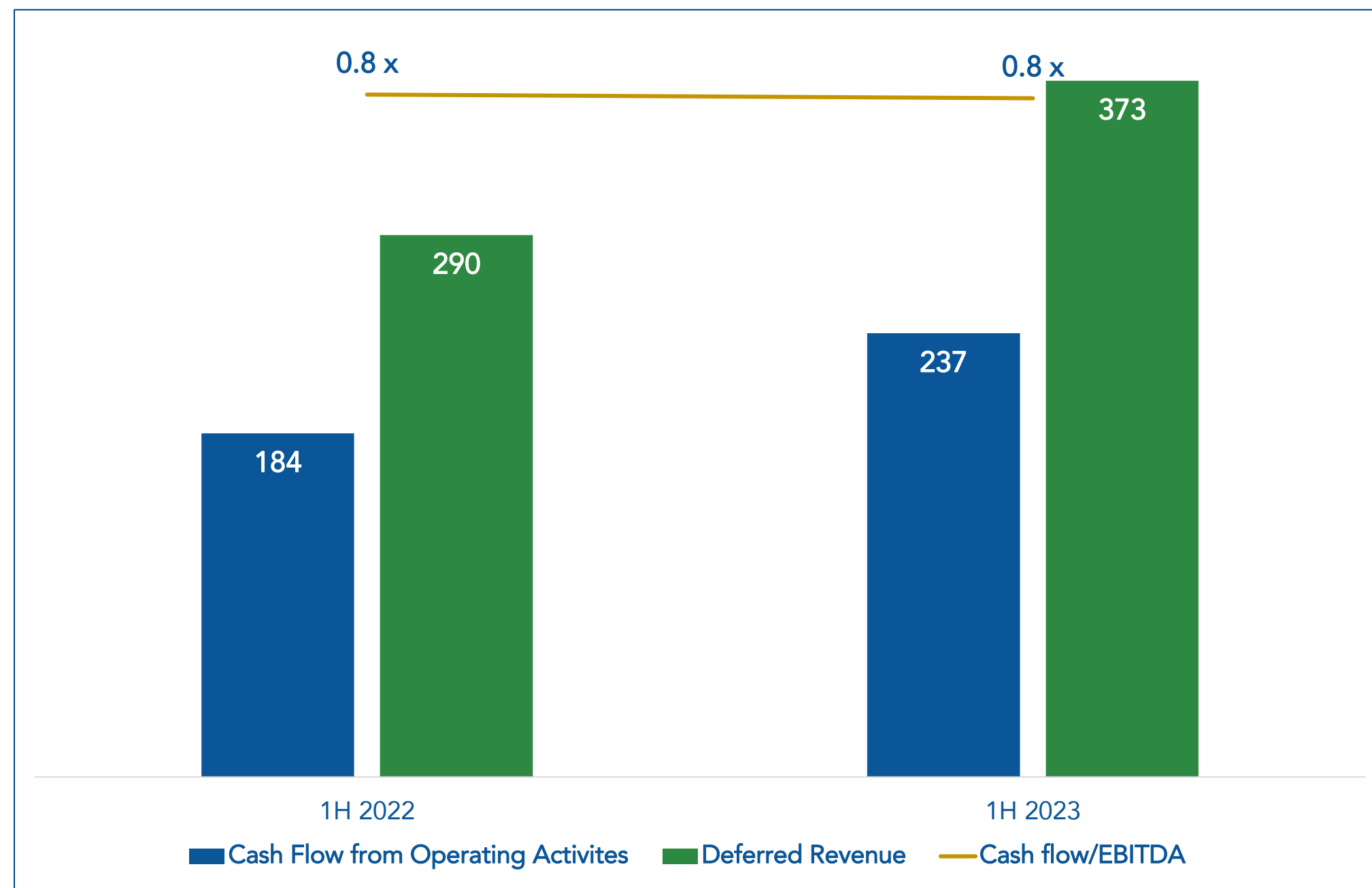
Amounts in million (SAR)

CASH GENERATION

Key Highlights:

Cash Flow from Operations:
Increased by 29% due to higher subscription sales.

Deferred Revenue:
Increased by 28% as result of the increase in subscriptions sales.



Amounts in million (SAR)

OUTLOOK 2023



2023 TENTATIVE GUIDANCE

2023 growth will be driven by:

- Further openings of Xpress Centers
- Further openings of Big Box centers
- Continuing focus/growth on Corporate & PT business
- Cost control, and improving customer experience, member retention & services.

Category		Current (Centers)	Expected Centers (New Expectations)	Expected CAPEX (Range)
		30 June 2023	31 Dec 2023	SAR M / Center
Xpress	Female	6	6-7	4 to 7.5
	Male	22	27-28	
Big Box	Female	41	43-45	15 to 20
	Male	94	95-96	
Concept Studios		10	10 -15	1 to 2.5
Total		173	181-191	-



Q&A

THANK YOU

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

APPENDIX



Q2 2023 P&L

Statement of Profit & Loss				
SR M	Q2 2023	Q2 2022	Δ	Δ%
Revenue	301.8	233.0	68.8	29.52%
Cost of revenue	(177.6)	(154.9)	(22.6)	14.61%
Gross profit	124.2	78.0	46.1	59.13%
Gross profit Margin	41.15%	33.50%	7.66%	22.86%
General and administrative expenses	(28.8)	(20.5)	(8.3)	40.52%
Advertising and marketing expenses	(3.7)	(3.3)	(0.4)	11.64%
Allowance for expected credit losses	(0.4)	(2.7)	2.2	(83.25%)
Operating income	91.2	51.6	39.7	76.91%
Operating income Margin	30.24%	22.14%	8.10%	36.59%
EBITDA	153.4	108.8	44.6	40.93%
EBITDA Margin	50.83%	46.72%	4.12%	8.81%
Other income	0.8	0.0	0.8	-
Finance charges	(20.6)	(14.7)	(5.9)	40.22%
Profit from short term Murabaha	3.2	0.0	3.2	-
Net income before Zakat	74.7	36.9	37.8	102.36%
Zakat	(2.2)	(0.9)	(1.3)	150.39%
Net income	72.5	36.0	36.4	101.18%
Net income Margin	24.02%	15.46%	8.55%	55.33%
Basic earnings per shares	1.38	0.69	0.7	100.00%

H1 2023 P&L

Statement of Profit & Loss				
SR M	6M 2023	6M 2022	Δ	Δ%
Revenue	578.7	464.6	114.1	24.56%
Cost of revenue	(345.8)	(300.8)	(45.0)	14.96%
Gross profit	232.9	163.8	69.1	42.21%
Gross profit Margin	40.24%	35.25%	4.99%	14.17%
General and administrative expenses	(56.8)	(43.3)	(13.6)	31.33%
Advertising and marketing expenses	(6.7)	(7.1)	0.4	(5.42%)
Impairment loss on financial assets	(0.4)	(2.7)	2.3	(83.64%)
Operating income	168.9	110.6	58.2	52.64%
Operating income Margin	29.18%	23.81%	5.37%	22.54%
EBITDA	290.5	223.8	66.7	29.79%
EBITDA Margin	50.19%	48.17%	2.02%	4.19%
Other income	0.8	0.0	0.8	-
Finance charges	(37.6)	(26.7)	(11.0)	41.15%
Profit from short term Murabaha	6.9	0.1	6.7	5304.51%
Net income before Zakat	138.9	84.1	54.8	65.19%
Zakat	(3.8)	(2.1)	(1.7)	83.99%
Net income	135.1	82.0	53.1	64.72%
Net income Margin	23.35%	17.66%	5.69%	32.24%
Basic earnings per shares	2.58	1.57	1.0	64.33%

REVENUE BREAK-DOWN

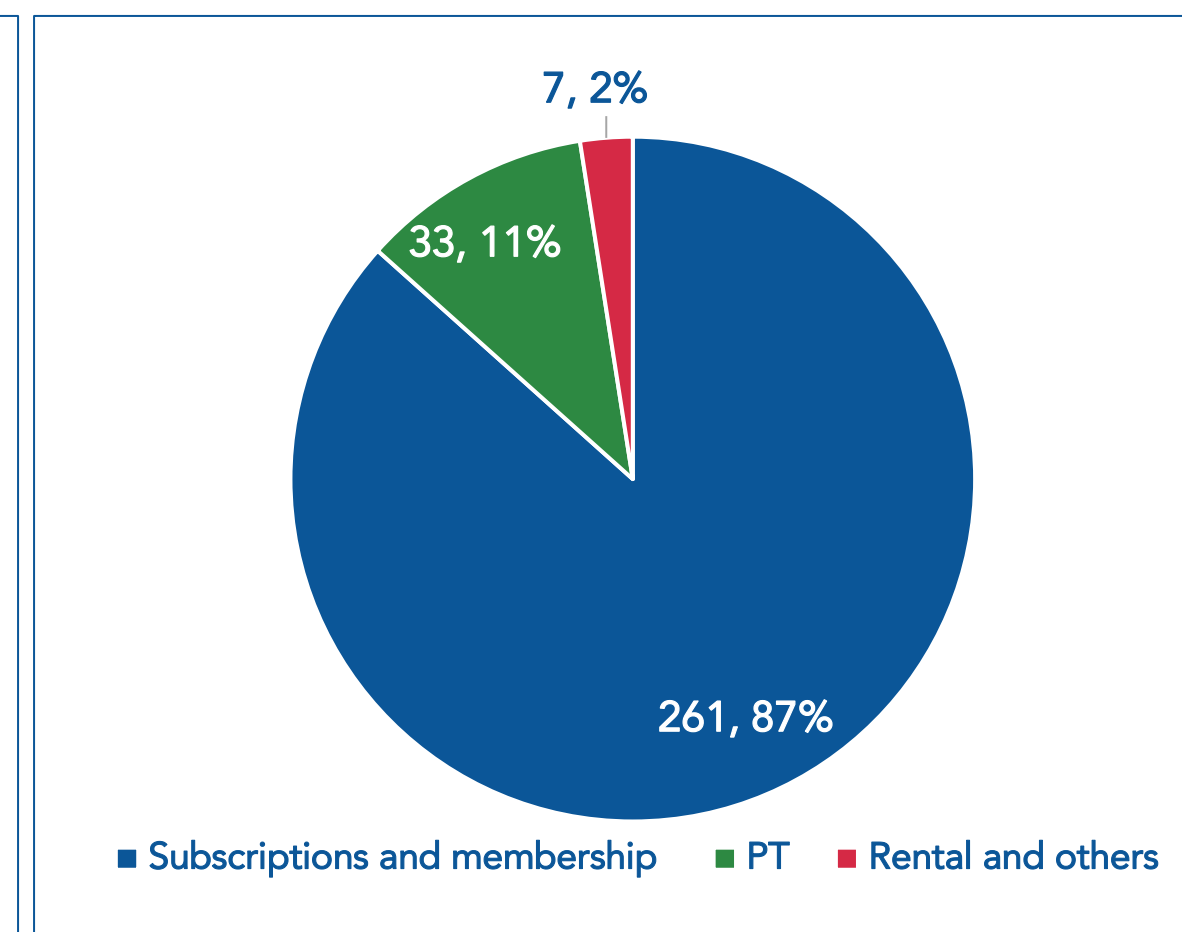
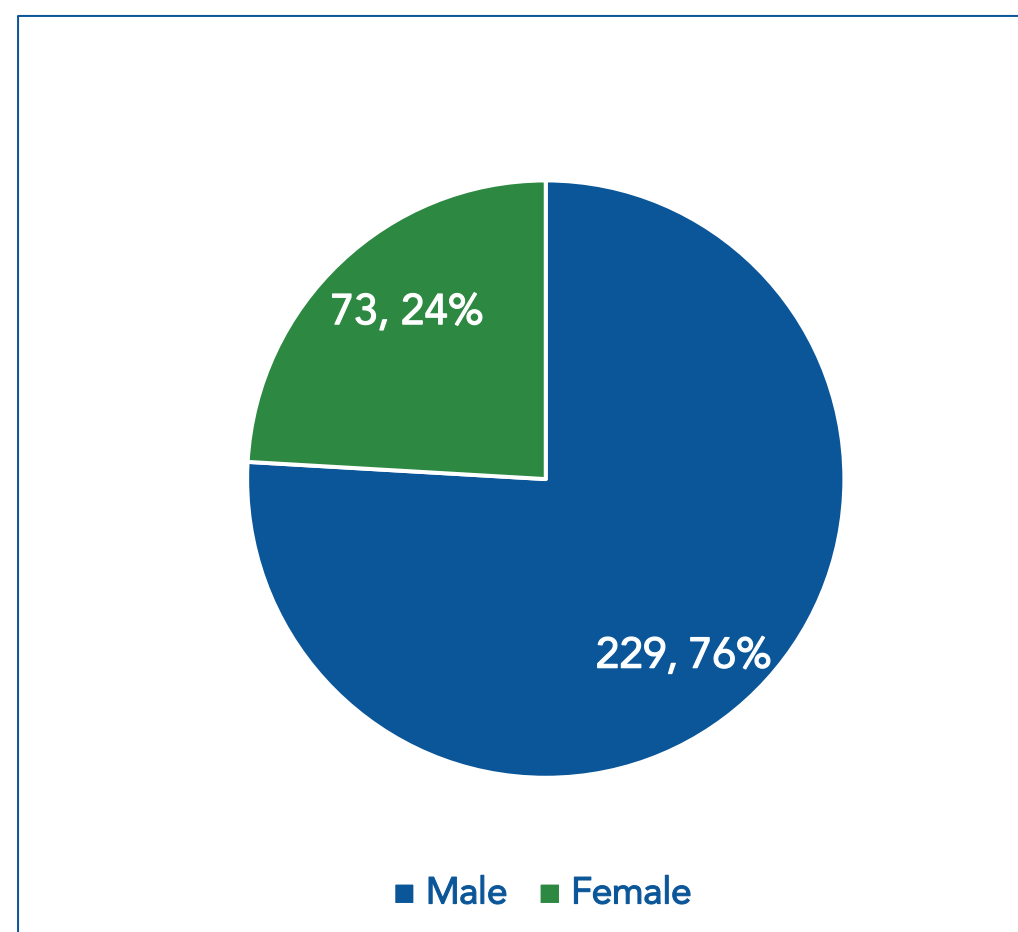
Q2 2023

Segment Analysis

- Male revenue increased by 27% compared with Q2 2022.
- Female revenue increased by 38% compared with Q2 2022.

Source Analysis

- Subscriptions and Membership revenue increased by 32% compared with Q2 2022.
- Personal Trainer revenue increased by 33% compared with Q2 2022.
- Rental and Other Service revenue decreased by 27% compared with Q2 2022.



H1 2023

Segment Analysis

- Male revenue increased by 23% compared with H1 2022.
- Female revenue increased by 30% compared with H1 2022.

Source Analysis

- Subscriptions and Membership revenue increased by 26% compared with H1 2022.
- Personal Trainer revenue increased by 31% compared with H1 2022.
- Rental and Other Service revenue decreased by 19% compared with H1 2022.

