Sport Clubs Co.

November 01, 2026

Member growth drives 39% YoY profit rise.

Last Price: SAR 7.5 | YoY Performance: -25.2%

3Q26 FIRST TAKE

KEY TAKEAWAYS

- Sport Clubs posted a net profit of SAR 22.7 mn in 3Q26 (EPS: SAR 0.20), up 39.1% YoY and 64.5% QoQ. The result came 12.7% below our estimate of SAR 26.0 mn, as higher-than-expected finance costs offset a stronger operating performance. The YoY growth is mainly attributable to member growth, higher club utilisation and the absence of listing expenses booked in 3Q25.
- Revenue rose 20.1% YoY to SAR 126.3 mn, 7.0% above our estimate of SAR 118.0 mn. Subscription revenue grew 16.8% YoY to SAR 106.8 mn as active members rose 19.6% to 199.8K, while personal training, other health services and accessories grew 37.7% to SAR 18.2 mn on a 36.5% rise in PT sessions. Ladies' clubs revenue rose 32.6% YoY and men's clubs 13.8%.
- Gross margin remained stable YoY at 36.8%, slightly below our estimate of 37.5%, but expanded from 31.9% in 2Q26 as higher utilisation and the ramp-up of the five clubs opened in 2Q26 delivered operating leverage over a largely fixed cost base. Gross profit rose 20.3% YoY to SAR 46.5 mn.
- Net profit rose 39.1% YoY to SAR 22.7 mn but came in 12.7% below our estimate. Excluding 3Q25 one-offs (SAR 4.2 mn of listing expenses and a SAR 0.7 mn lease termination gain), underlying growth was a more modest 15%. Higher finance costs to fund the club expansion absorbed part of the operating beat, widening the gap between operating and net profit to SAR 11.7 mn from SAR 8.7 mn in 2Q26. Net margin still expanded 2.5 ppts YoY to 18.0%.
- Network stood at 63 clubs (43 men's, 20 ladies') with 17 in the pipeline, of which 11 are under construction, and leases for four more clubs in Riyadh and Al Khobar were signed in October. Retention eased 2.0 ppts YoY to 64%, the key metric to monitor, while deferred revenue rose 17.2% YoY to SAR 147.9 mn, providing good visibility for 4Q26.
- Based on our last update, we maintain a 'Neutral' stance on the stock, with a target price of SAR 8.1/share. The stock is currently trading at a 2027f P/E and P/B of 13.7x and 2.2x, respectively.

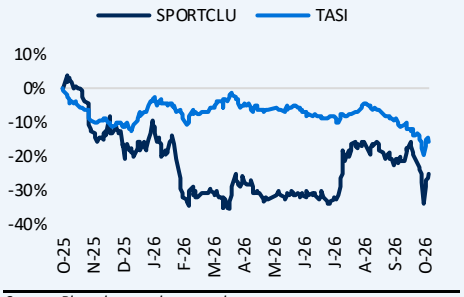
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Issuer Information

Bloomberg Code	SPORTCLU AB
Last Price (SAR)	7.5
No of Shares (mn)	114.4
Market Cap bn (SAR/USD)	0.9 / 0.2
52-week High / Low (SAR)	10.8 / 6.3
12-month ADTV (mn) (SAR/USD)	17.3 / 4.6
Free Float (%)	89.9
Foreign Holdings (%)	12.7

Last price as of October 29th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	3Q26A	3Q26E*	Var (%)	3Q25A	YoY (%)	2Q26A	QoQ (%)
Revenue	126	118	7.0	105	20.1	106	18.7
Cost of Revenues (COGS)	(80)	(74)	8.2	(66)	20.0	(72)	10.2
Gross Profit	46	44	4.9	39	20.3	34	36.8
Gross Margin (%)	***36.8***	***37.5***		***36.8***		***31.9***	
Operating Expenses	(12)	(15)	(21.2)	(14)	(12.6)	(11)	5.8
Operating Profit	34	29	18.7	25	38.5	23	52.6
Operating Margin (%)	***27.2***	***24.5***		***23.6***		***21.2***	
Net Income	23	26	(12.7)	16	39.1	14	64.5
Net Margin (%)	***18.0***	***22.0***		***15.5***		***13.0***	
EPS (SAR)	0.20	0.23		0.14		0.12	

**anbc estimate*
Source: Company Financials, anbc research

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