

Daily Bulletin

July 28, 2025

- > *Sport Clubs opens 5th branch this year, 59th in total*
- > *Jamjoom Pharma reviews 2025-2027 guidance*

Sport Clubs opens 5th branch this year, 59th in total

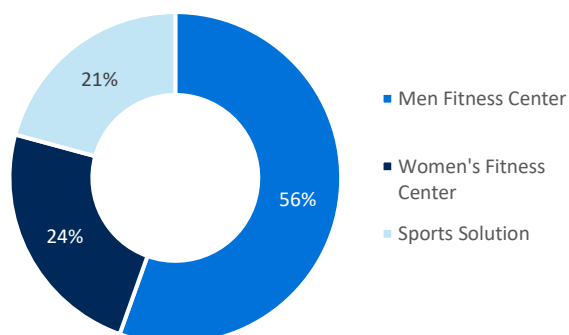
Sport Clubs Co. opened a new men's club under the "Body Masters Premium" brand in the Uhod District of Dammam, marking its 5th opening in 2025. This brings the total number of operating clubs to 59, comprising 42 male clubs and 17 female clubs. The newly opened club is a four-story facility with a total built-up area of ~10,100 square meters. It features latest equipment and a wide range of modern amenities.

In 1Q25, men's fitness centers contributed 56% of the company's total revenue, amounting to SAR 46 mn (down 3% YoY), while women's centers contributed 24%, reaching SAR 19 mn (down 7% YoY). Men's clubs outperformed in profitability, posting a gross margin of 17% versus 14% for women's clubs. The financial impact of the newly opened club is expected to materialize in 3Q25.

The company holds signed leases for 12 fitness centers, most of which are either under construction or awaiting permits to commence construction. Along with several other sites currently under negotiation, these clubs are projected to launch within the next 18 months. Further, the company plans to open at least 50 additional Body Masters and Body Motions clubs over the next five years, as per its prospectus.

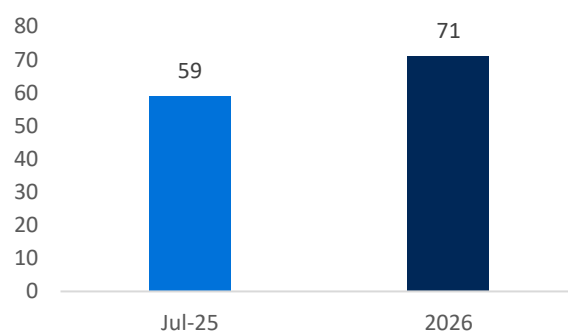
The stock began trading on TASI on Jul-22 at the IPO price of SAR 7.5/share and is currently trading at SAR 10.18/share.

Revenue contribution 1Q25



Source: Company financials, anbc research

12 clubs expected to open in next 18 months



Source: Argaam, anbc research

Jamjoom Pharma reviews 2025-2027 guidance

Jamjoom Pharma has reiterated its topline guidance of 12-15% for 2025-2027, following 17% YoY revenue growth in 1H25. The Ophthalmology and Dermatology segments, which together contribute around half of total revenue, grew by 9% YoY, while the Anti-Diabetic segment recorded the highest growth at 71% YoY. Although the company has reported revenue growth above guidance, management has not raised its full-year topline outlook. We note that 4Q is typically the weakest in terms of revenue contribution, often resulting in a softer second half performance.

The key update pertains to EBITDA margins. The company reported an EBITDA margin of 37.6% in 1H25, above its prior guidance of 30.0-31.5%. This outperformance was driven by a higher contribution from institutional sales, which typically incur lower SG&A expenses and a focus on selling higher-value products. Consequently, management has raised its EBITDA margin guidance to 31.5-33.0% (vs. 4-year historical average of 31%). Guidance for CAPEX (4-6% of revenue) and dividend payout (50-60%) remains unchanged.

Jamjoom remains in an expansionary phase, having doubled its capacity over the past two years through the commissioning of its Egypt and sterile Jeddah facilities during 2023-24, along with upgrades to the main Jeddah facility. Management has indicated that further expansion of the main facility is on the cards, as it is currently operating near full capacity.

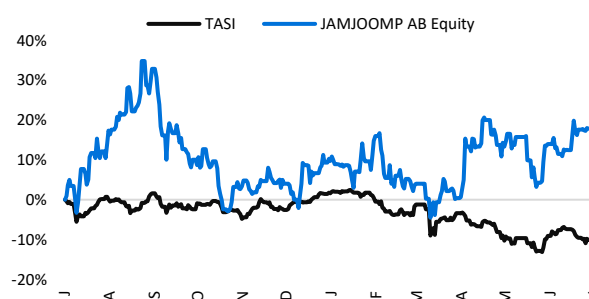
The stock has outperformed TASI, delivering an over 14% return in the past 12 months compared to TASI's decline of 9% and currently trades at 24.8x 2025e P/E, close to its post-IPO average of 25.5x. Based on the consensus target price of SAR 181.5/sh, the upside from current levels stands at 5%.

Jamjoom Pharma – Revenue Growth



Source: Company Financials, anbc research

Relative price performance



Source: Bloomberg, anbc research

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