

Health club owner Viva Leisure lists on the ASX

7 June 2019

Viva Leisure Limited (“Viva Leisure”, “the Company” or “VVA”), a fast growing health club owner has today completed its capital raising and listing on the ASX.

Viva Leisure operates in the health and leisure industry in Australia, originally commencing operations in 2004 and now operates in 33 different locations across its portfolio of brands including Club Lime and Hiit Republic.

Since April 2019, Viva Leisure has opened four locations and is on track to open a further four locations before 30 June 2019, in addition to completing the acquisition of the Fitness 24/7 business in Albury/Wodonga as detailed in the Prospectus that was lodged with ASIC on 14 May 2019.

Viva Leisure is pleased to provide the following trading update to the market:

Locations

- Post the date of the Prospectus, the following four locations have successfully opened:
 - Club Lime Conder (ACT);
 - Hiit Republic Tuggeranong (ACT);
 - Psycle Life Tuggeranong (ACT); and
 - Studio by Club Lime Tuggeranong (ACT).
- As detailed in the Prospectus, the following four locations originally scheduled to open in Q3 CY2019 will now open ahead of schedule in Q2 CY2019:
 - Club Lime Denman Prospect (ACT);
 - Club Lime Queanbeyan (NSW);
 - Hiit Republic Kingston (ACT); and
 - Hiit Republic Queanbeyan (NSW).
- The following four locations remain on track to open in Q3 CY2019:
 - Hiit Republic Braddon (ACT);
 - Hiit Republic Campbell (ACT);
 - Club Lime Erindale (ACT); and
 - Hiit Republic Erindale (ACT).
- Operating locations at the end of FY2019 will be 40, a robust increase from the 21 at the end of FY2018.
- The pipeline of new sites continues to be strong and it is expected Viva Leisure will announce further greenfield locations in the next quarter.

Membership Numbers

Membership numbers continue to increase month on month, with current membership at 49,600, up from 47,500 (+4.4%) since the date of Prospectus lodgement.

With the acquisition of Fitness 24/7 to be completed this month and contributing an additional 3,500 members, membership is anticipated to exceed the Prospectus forecast of 53,400 members by 30 June 2019.

Churn and Retention remain as forecast and in line with the Prospectus.

Hiit Republic

Hiit Republic, Viva Leisure's boutique functional fitness brand, opened its first location in March 2019 and is already exceeding management expectations, both in terms of membership numbers and class participation.

A further two locations Kingston (ACT) and Queanbeyan (NSW) are expected to open ahead of schedule and capitalise on the momentum.

Hiit Republic's unique membership offering of combining its boutique functional fitness studios and Club Lime's health clubs into one membership has been well received by market participants with over 70% of members taking the multi-club membership option which is increasing the membership yield per member. The 24-hour access (outside of scheduled class times) into the Hiit Republic studios has also proven to be popular and a unique selling point in the boutique functional fitness market.

Fitness 24/7 acquisition

The acquisition of Fitness 24/7 in Albury (NSW) and Wodonga (VIC) – 3 locations in total remains scheduled to be complete shortly after listing.

Financial

- Revenue continues to grow in line with increasing membership numbers
- Trading for Q4 FY2019 has exceeded management forecast expectations underpinned by a strong May 2019 trading month.

MARKET ANNOUNCEMENT



Harry Konstantinou, CEO and Managing Director of Viva Leisure commented:

“Today I am excited that Viva Leisure is the first dedicated health club operator to list on the ASX. The Company continues to deliver strong, profitable growth whilst also capitalising on the platform we have built over many years for an even bigger business in the future.

The pace of expansion this financial year was a significant achievement for the Company in which we have acquired four clubs to date, with a further three clubs to be acquired and integrated as part of the Fitness 24/7 acquisition, opened eight greenfield clubs, with another four greenfield clubs to open this month.

Shortly we will also achieve the milestone of 50,000 members (excluding the Fitness 24/7 acquisition), which demonstrates the demand and effectiveness of our business model which operates in all four segments of the fitness industry.”

ENDS

For further information, please contact:

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About Viva Leisure:

Founded in 2004, Viva Leisure operates health clubs (gymnasiums) within the health and leisure industry. Viva Leisure’s mission is to connect health and fitness to as many people as possible and aims to provide its members with affordable, accessible and awesome facilities.

Viva Leisure offers customers several different membership options and a range of different types of facilities from big box fitness facilities to boutique fitness facilities. The Company currently operates 33 health clubs within the Australian Capital Territory and New South Wales, with the majority operating under the Club Lime brand.