

8 September 2022

## VIVA LEISURE DELIVERS A RECORD START TO FY23

### HIGHEST ANNUALISED REVENUE RUN RATE, MEMBERSHIP AND UTILISATION RATE

Viva Leisure Limited (ASX: VVA) (“Viva Leisure” or “the Company”), Australia’s second largest health club owner and operator is pleased to release its bi-monthly market update for the period ended 31 August 2022.

#### July-August 2022 saw record performance across all key metrics:

- Annualised Revenue Run Rate (ARRR) of \$130.2 million, up 41.9% on December 2021 (\$91.7 million) and 4.5% on June 2022
- Monthly Revenue Run Rate (MRRR) of \$11.1 million in June 2022, up 42% on December 2021 (\$7.8 million) and 8.0% on June 2022
- Total members at ~325,000 (at 31 August), up 5,000 on June 2022, and an increase of 28,000 over calendar 2022 YTD (from 297,000 at 31 December 2021)
- Corporate members at ~163,000 (as of 31 August), up from ~150,000 in April 2022, and now more than Plus Fitness franchisee members (162,000)
- Opened one greenfield Plus Fitness site and acquired one more corporate Plus Fitness, with total corporate locations at 153 (up two from June and 21 from December) and total locations at 334 (325 at 31 December 2021)
- Monthly network member visits surpassed 2 million for the first time in August 2022
- Average Revenue Per Member (ARPM) at \$14.94 in August 2022, up from \$14.59 in June 2022 and \$13.79 in December 2021
- Portfolio utilisation of 70.2% (medium term target level 75-80% per location).

Commenting on the Company’s strong start to FY23 that saw record metrics delivered, Viva Leisure CEO and Managing Director, Harry Konstantinou said:

*“We are delighted with the performance of the business, with all key metrics for the first two months of FY23 exceeding management expectations and being significantly above pre-COVID levels. We have solidified our position as Australia’s second largest operator in the Australian health and leisure industry, scaling our operations quickly as people return to normal levels of gym use after lockdowns in 2021.*

*In August we achieved a record average monthly revenue run rate of \$11.1 million, up 42% this calendar year. This is an important forward lead indicator of revenue growth, with an annualised revenue run rate of \$130.2 million at the end of August. The growth in revenue run rates was underpinned by record portfolio utilisation of 70.2% (post COVID), on the back of successful local marketing campaigns. This higher utilisation rate also supports increased margin due to limited additional costs that are needed to add new members to an already operating location.*

*Memberships hit a record 325,000 members, an increase of 28,000 during this year. We have also reached a tipping point where for the first time our more profitable Viva-owned members, who now number 163,000, exceed our 162,000 Plus franchisee members.*

*This increased utilisation by record member numbers enabled us to hit another record milestone in August. Our clubs hosted more than 2 million-member visits in a month – equivalent to a member visit every 1.3 seconds every day.*

*As a result, average revenue per member per week increased to a record \$14.94 in August 2022, up from \$14.59 in June 2022 and an increase of .4% on December 2021 (\$13.79). Higher yielding membership options for our hiit republic and GroundUp facilities also provided a positive impact.*

*We increased our corporate clubs presence by two, with the opening of our second corporate greenfield Plus Fitness site location in Glebe, NSW and the acquisition of Plus Fitness Hocking in Western Australia. We are on track to settle another three acquisitions in Western Australia in the next month before opening a dozen sites in Queensland and Victoria during FY23."*

ENDS

This announcement has been approved for release by the Board of Directors.

**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. It operates 153 locations within the Australian Capital Territory, New South Wales, Victoria, Queensland and Western Australia, together with the master franchise for the Plus Fitness group of approximately 181 franchised clubs in three markets – Australia, New Zealand and India.

For further information, please visit: <https://www.vivaleisure.com.au/>