

11 October 2022

**VIVA LEISURE GUIDES TO SUBSTANTIAL GROWTH IN FY23  
REVENUE UP 51% - 54% TO \$137-140 MILLION  
EBITDA UP 409% - 445% TO \$28-30 MILLION**

**Viva Leisure Limited (ASX: VVA)** (“Viva Leisure” or “the Company”), a leading technology-focused Australian health club owner and operator is pleased to provide financial guidance covering the 2023 financial year (FY23), as well as a quarterly update for the three months ended 30 September 2022 (Q1 FY23).

**FY23 guidance for substantial growth:**

- Revenue between \$137 million to \$140 million, up 51% to 54% (FY22: \$90.8 million)
- EBITDA between \$28 million to \$30 million, up 409% to 445% (FY22: \$5.5 million)

**Underlying business drivers supporting expected FY23 growth:**

- Corporate Members between 173k – 178k (FY22: 159k)
- Average Revenue per member per week between \$15.25 - \$15.35 (FY22: \$14.59)
- Utilisation between 70% - 73% (FY22: 69.3%)
- Corporate Locations (owned) included in guidance between 165 – 170 (FY22: 151)

Commenting on the Company’s guidance for substantial growth in FY23, Viva Leisure CEO and Managing Director, Harry Konstantinou said:

*“Viva Leisure is issuing revenue and EBITDA guidance in which we forecast FY23 revenue growth of up to 54%, and an EBITDA increase of up to 445% over FY22. This guidance shows how well the business has rebounded out of COVID restrictions that affected our ability to trade and how we are ideally placed in the health club sector. This is further highlighted by Q1 FY23 EBITDA already exceeding the twelve month Full Year 2022.*

*“Since listing in June 2019, Viva Leisure has not had one full year of trade without external interruptions. However, we are confident that FY23 will be our year. Our members view their health and fitness as an essential, rather than discretionary, spend. Our gyms are a lifestyle business, providing our members with an experience they can’t replicate at home or online. As highlighted in our recent bi-monthly, Viva Leisure clubs have made a full recovery, and extended beyond, on a pre and post-COVID like-for-like basis, and we continue to see increased interest from new members post-COVID.*

*“In our experience during previous downturns in the economy, health club memberships are not the first to be cut, they are too important in our daily members’ lives. At an average spend of \$15 per week, the physical, health, mental and stress relief benefits our industry provides are unmatched. COVID has accelerated the shift from going to the pub after work to the importance of going to the gym and supporting health and wellbeing. Viva Leisure is working towards being the most diverse fitness provider in Australia, servicing all segments, and aiming to being the most profitable for our investors and shareholders.”*

## Q1 FY23 highlights:

- Revenue up 182% to \$33.0 million (Q1 FY22: \$11.7 million)
- EBITDA<sup>1</sup> of \$6.4 million (Q1 FY22 negative \$5.1 million)
- EBITDA margin of 19.4%
- Record corporate members up 2.7% increased to 163,842 over Q1FY23 (30 June 2022: 159,546)
- Total Corporate owned locations 153 (30 June 2022: 151)
- Average Revenue Per Member (ARPM) up 4.6% to a record \$15.26 (30 June 2022: \$14.59)
- Record portfolio utilisation of 70.7%, up from 69.3% in June 2022 and heading towards target level 75-80% average per location

Commenting on the Company's Q1 FY23 performance, Mr Konstantinou said:

*"Viva Leisure has started strongly in FY23. Revenue far exceeds where we were 12 months ago, and growth continues to accelerate.*

*"We achieved record quarterly revenue of \$33.0 million, supported by our increasing and record corporate owned memberships, and increased average revenue per member to now sit at \$15.26. In addition, corporate members now number above 163,000, an incremental increase of 4,300 for the quarter.*

*"Our record quarterly EBITDA result of \$6.4 million was further supported by our ability to improve our portfolio utilisation to 70.7%, up 2.0.% for the quarter, driven by data analytics and insights that are unmatched in the sector combined with targeted local marketing campaigns. This higher utilisation rate allows us to increase margin due to limited additional costs that are needed to add new members to an already operating location.*

*"Our gym footprint continued to grow, increasing 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 five acquisitions in Western Australia in the next two months 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:

Further information:

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<sup>1</sup> Unaudited

**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 in 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 clubs in three markets – Australia, New Zealand and India.

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