

12 December 2022

## **VIVA LEISURE CONTINUES TO IMPROVE ON RECORD START TO FY2023 THIRD GROUNDUP LOCATION HAS OPENED AND REAFFIRMS SUCCESS OF THE UNIQUE CONCEPT**

### **Key Highlights**

- Current trading for the month of November 2022 indicates continued momentum in the business
  - The strong November 2022 results include a number of record results for Viva Leisure, including estimated annualised revenue run rate of more than \$140 million and the second highest month for new members in its history (up ~4,000 members from October 2022)
  - As at end of November 2022, Viva Leisure has a record corporate membership level of 173k members (which is over 337k total members when including the 165k Plus Fitness network members), total corporate locations at 161, and is operating with portfolio utilisation at 73.3% (up 2% from October 2022)
- GroundUp
  - Third studio has opened successfully at above EBITDA breakeven on opening.
  - Membership opened at 150 members and continues to grow in first two weeks, up 40% since opening (6 Dec 2022: 212 members)
- Reaffirming FY2023 revenue and EBITDA guidance released on 11 October 2022
  - November 2022 membership above lower range of guidance (173,000 to 178,000) already
  - Utilisation target above higher range of target (71% to 73%) at 73.3% for November 2022, up 2% from October 2022
  - All other guidance metrics on track to be achieved earlier than expected

**Viva Leisure Limited (ASX: VVA)** (“Viva Leisure” or “the Company”), Australia’s second largest health club owner and operator is pleased to release to the market a trading update presentation for November 2022.

### **Trading Update**

November 2022 continued the delivery of record performance across all key metrics:

- Revenue:
  - Annualised Revenue Run Rate (ARRR) of \$140.9 million, up 43% on December 2021<sup>i</sup> (\$98.5 million)
  - Monthly Revenue Run Rate (MRRR) of \$11.6 million (30 days), up 38% on December 2021 (31 days) (\$8.4 million)
  - Average Revenue Per Member (ARPM) at \$15.21 in November 2022, up from \$13.79 in December 2021
- Members:
  - Network members<sup>ii</sup> at 337,457 (at 30 November), up 13% from December 2021
  - Corporate members<sup>iii</sup> at 172,563 (at 30 November), up 30% from December 2021
- Locations:
  - Total network locations at 337 (up 12 from December 2021)
  - Total corporate locations at 161 (up 29 from December 2021)
  - Portfolio utilisation of 73.3% (medium term target level 75-80% per location)

## Investment into growth

Significant investments in acquisitions (\$5 million), growth and maintenance CAPEX (\$5.9 million), IT project CAPEX (\$1.0 million) and debt and lease principal payments (\$4.4 million) saw the cash balance remain steady, increasing slightly from ~\$5.8m (June 2022) to ~\$6.1m<sup>iv</sup> (Nov 2022)

## Guidance

Viva Leisure is reaffirming the FY2023 guidance it released on 11 October 2022 for the existing group of:

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

In addition and to assist Shareholders who have migrated away from the traditional EBITDA definition we have provided a post AASB16 EBITDA reconciliation as part of the presentation. The adjustment from pre to post AASB16 EBITDA relates to the payment on rental to properties lease by Viva Leisure.

- EBITDA (post AASB16) between \$64.5 million to \$66.5 million

## Additional Details

Further details of the Trading Update are set out in the Presentation released to the ASX today.

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 over 160 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 over 175 franchised clubs in three markets – Australia, New Zealand and India.

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

<sup>i</sup> PCP being compared is to December 2021, when clubs started returning to normal operations post COVID

<sup>ii</sup> Includes Corporate Owned Members and Franchised members

<sup>iii</sup> Corporate owned members refers to direct members at Viva Leisure owned locations

<sup>iv</sup> Unaudited management figures

<sup>v</sup> EBITDA referred within this announcement excludes the impacts of AASB16 unless stated otherwise.