

13 July 2023

VIVA MEMBERS EXERTING STRENGTH AND RESILLIENCE

Viva Leisure Limited (ASX:VVA) (“Viva Leisure” or “the Company”), a leading technology-focused Australian health club owner, is pleased to provide a preliminary update on its unaudited trading performance for the Full Year ended 30 June 2023 (“FY23”).

Highlights:

- Revenue of \$141.2 million, up 55.4% (FY22: \$90.8million)
- Total corporate locations increased to 171 at 30 June 2023, up 20 on pcp
- Network membership at 343,325 at 30 June 2023, up 7.2% on pcp
- Corporate members at 181,950 at 30 June 2023, up 14.0% on pcp
- Utilisation rate of 72.2% across owned portfolio at 30 June 2023, up from 69.3% pcp (modestly lower than HY FY23 due to three new Greenfield sites opening in June)
- Four Plus Fitness franchise territories sold in the month of June 2023

	FY23	FY22	Variance	HY FY23
Revenue (\$m)	141.2	90.8	55.4%	67.4
Annualised Revenue (June 2023) (\$m)	156.4	124.5	25.6%	N/A
Members				
- Corporate	181,950	159,546	22,404	172,406
- Total	343,325	320,161	23,164	333,423
Locations				
- Corporate	171	151	+20	162
- Total	346	334	+12	338
Utilisation	72.2%	69.3%	+290bps	72.7%

Viva Leisure’s unaudited revenue of \$141.2m in FY23 is above the previous guidance range of \$137-140m, resulting in EBITDA for the year now being forecast at the upper end of the previous guidance range of \$28-30m. This is on the back of the rise in memberships to new highs, with corporate memberships of 181,950 at the end of FY23 above previous guidance of 173-178k members.

The Company experienced a robust end to the year with record revenue of \$12.9 million (30 days) for the month of June. This compares to revenue of \$10.2 million in the prior corresponding period.

On an unaudited basis, average revenue per member of \$15.59 per week compares to previous guidance of \$15.25-15.45, while the utilisation rate of 72.2% sits within the previous guidance range of 70-73%. Visitations (member visits to facilities) rose 56% in FY23 to 25 million visits, or 68,397 visits per day on average, compared to 16 million visits (43,812 visits per day average) in the prior year.

At the end of FY23, Viva Leisure had 171 corporate locations, above the 165-170 previously expected.

Commenting on the Company’s FY23 performance, Viva Leisure CEO and Managing Director Harry Konstantinou said:

“We are extremely pleased with the results delivered. They demonstrate the resilience of the business in an economic environment where discretionary spend has been impacted by higher interest rates and rising inflation. Despite these headwinds, the Company has achieved record levels of memberships, revenue and locations.

“Our core Club Lime brand remains very strong, as does the GroundUp Boutiques. The pricing approachability of both brands has resulted in the resilience of the customer that sees strong value in maintaining health and wellness, not at the expense of cuts in discretionary spend.

“Viva Leisure’s more premium brand, Hiit Republic, is performing well considering the economic backdrop and curtailing of some discretionary spend. Hiit Republic is the smallest membership base of Viva, encompassing approximately 3% of the membership base. We anticipate its higher pricing point to limit growth in FY24 compared to our core business.

“We pride ourselves on encouraging our membership to live healthy lifestyles in a social and welcoming environment, which has been well demonstrated in the 25 million visits to our clubs in FY23. The consumer remains highly amendable to their health and wellness, even despite the economic backdrop, while investment in the industry is exemplified by Viva Leisure’s remarkable achievement of selling four Plus Fitness Franchise Territories in the month of June alone.

FY23 guidance is narrowed to upper end of guidance as follows:

Guidance Metrics	Previous Guidance	Revised Guidance
Revenue	\$137m to \$140m	\$141m+
EBITDA*	\$28m to \$30m	\$29m to \$30m
Underlying Business Drivers	Previous Guidance	Revised Guidance
Corporate Members	173,000 to 178,000	181,950
Average revenue per member (per week)	\$15.25 to \$15.45	\$15.59
Utilisation	70% to 73%	72.2%
Corporate Locations	165 to 170	171

*includes one-off adjustments

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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 170 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/>