

13 February 2025

Record revenue and profitability: Viva Leisure's strategy continues to deliver

Viva Leisure Limited (ASX:VVA) ("Viva Leisure" or "the Company"), is pleased to announce its financial and operational results for the first half FY2025 ending 31 December 2024 ("1H FY2025") delivering record-breaking performance across revenue, profitability and membership growth. These results underscore the strength of Viva's strategy, its expanding footprint, and the resilience of the business model.

Key Financial Highlights (1H FY25 vs PCP)

- Revenue of **\$99.0 million, up 25.2%** from 1H FY24 (\$79.1 million), driven by health clubs and technology segments
- EBITDA (pre-AASB16) of **\$21.0 million, up 26.2%** from 1H FY24 (\$16.6 million).
 - EBITDA margin increased 20bps to 21.2% highlighting improving operational efficiencies and scalability of the business model, withstanding rising operating costs environment
- NPAT (pre-AASB16) of **\$5.5 million, up 15.2%** from 1H FY24 (\$4.8 million), demonstrating a continued focus on delivering solid underlying results and improved profitability
- Adjusted Free Cash Flow of **\$15.9 million, up 22%**
- Strong balance sheet with cash balance of **\$18.1 million** providing a sustainable platform for operating leverage in the future

Operational Performance

- **Membership growth:** Total membership exceeded **593,000**, an increase of 71.9%, with corporate membership exceeding **238,565**
- **Network expansion:** The Viva network now operates **476 locations worldwide**, with an additional **118 secured sites**, bringing total open and upcoming locations to **594**
- **Recurring revenue model:** More than **90% of total revenue** is recurring, reinforcing the stability of Viva's earnings
- **Strong franchisee growth:** Expansion across **Plus Fitness, Boutique Fitness Studios, and World Gym Australia** with **new international markets secured** in Singapore, Hong Kong, Philippines and the UK
- **Technology and Payments growth:** Technology & Services revenue surged **124.0%** to **\$6.4 million**, driven by the expansion of Viva Pay and the Hub
- **Share buy-back:** On-market share buy-back continues with **\$1.9 million of shares purchased** in the half. Viva is committed to the share buy-back program and is also exploring additional capital management initiatives, supported by anticipated increases in free cash flow

Investor webinar to be held at 11.00am AEDT today, <https://vva.to/hy25-results/>

Commenting on the Company's first half of FY2025, Viva Leisure CEO and Managing Director Harry Konstantinou said:

"1H FY25 has been a phenomenal period for Viva Leisure, with record-breaking results reflecting the strength of our diversified strategy and the resilience of our business model. Our expanding corporate and franchise network, combined with our high-margin technology and payments division, continues to drive sustainable and profitable growth.

"With strong membership momentum, strategic investments, and continued innovation, we remain well-positioned with levers for expansion. The reaffirmation of our Q4 FY25 forecast underscores our confidence in continuing to deliver.

"As we have created significant scale across our network – with a membership base exceeding 600,000 – we will over the next 12 months shift our focus towards optimising and leveraging this network. This strategic pivot will prioritise free cash flow generation and maximise returns from our significant portfolio of established locations and importantly, our unique Viva technology providing the bedrock to this strategy."

Strategic Investments and Growth Initiatives

- **Boutique Fitness Studios (34% Ownership):** Expansion continues, with technology and payments integration expected to drive further growth
- **World Gym Australia (25% Ownership):** Strong pipeline for franchise expansion, with technology rollout scheduled for late CY25 and Viva Pay integration by CY27
- **Viva Pay scaling:** Viva Pay is now processing over \$300 million in Total Transaction Volume (TTV) annually, with further growth expected as integration extends across the franchise network
- **Technology and Digital expansion:** The successful rollout of The Hub, Viva's proprietary gym access and payment system, is expected to enhance operational efficiency across all brands
- **Unified Access Apps:** Viva has a series of unique and industry leading unified access apps set to launch in 2H, bringing together the entire network and creating further growth opportunities

Segment Update

Viva will now report on the following revenue segments moving forward.

Health Clubs

- Health club revenue grew 23.6% to \$88.5 million
- LFL locations revenue grew 5.8% over pcp
- New greenfield locations and acquisitions added 18.1% or \$12.93 million over pcp
- LFL membership continues to expand and grew 4.5% or over 8,000 members over pcp
- New greenfield locations and acquisitions added an extra 50,000 members

Trading Update:

- Successful January and February new member enrolment with Corporate members now above 250,000 and Corporate & Franchise members above 600,000
- **Over the next 12 months, our focus will shift towards optimising the value of our existing network while moderating the pace of new greenfield site openings.**
- **This strategic pivot is designed to prioritise free cash flow generation and maximise returns from our significant portfolio of established locations.**

Franchise

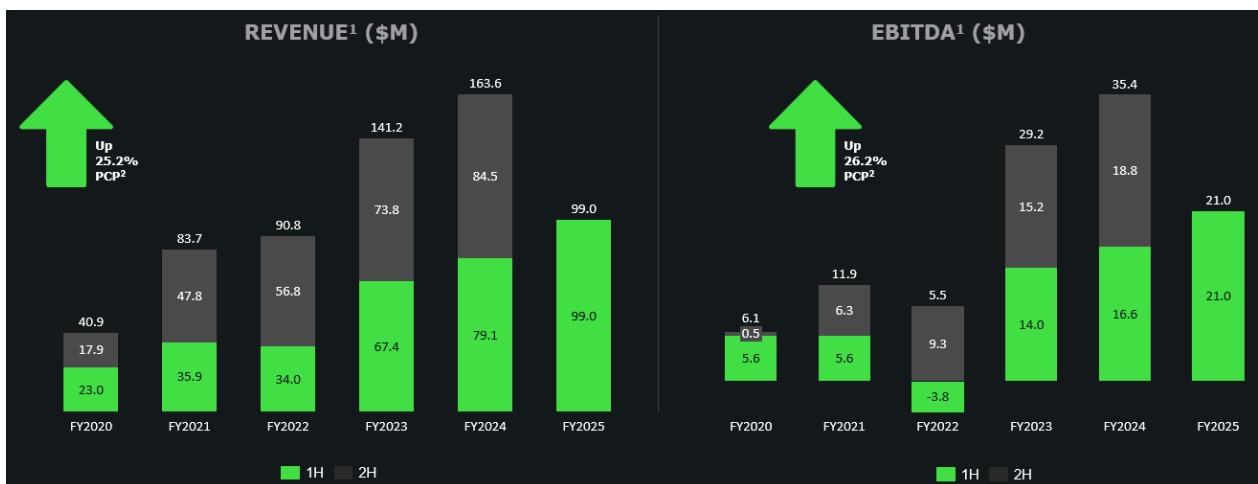
- The Viva-owned Plus Fitness network continues to go from strength to strength with new agreements executed in Singapore, Hong Kong, Philippines and the UK to expand the brand, together with a renewal of the India agreement.
- The Boutique Fitness Studios (BFS) and World Gym Australia (WGA) investments only completed late in the half, however progress has been made for Viva Pay to be deployed through the BFS network, and the Hub implemented at the WGA franchise locations which opens up further revenue and technology opportunities
- All franchise brands experienced strong interest in new territory sales, with 108 locations already sold and expected to open in the future

Technology, Payments & Other

- The Technology, Payments and other segment generated \$6.4 million of revenue in the first half, up 124% from pcp.
- Viva has a series of leading unified access apps to launch in the second half
- The growing vending machine network is now generating in excess of \$250,000 per month in sales at high margin
- The digital signage network continues to expand with a further 100 screens to be added in the second half
- The technology, payments and other segment is a high margin, high growth opportunity for the business

Outlook for 2H FY25 and Q4-FY25 Run-Rate

Viva Leisure’s financial performance continues to demonstrate **remarkable consistency and momentum**, with sustained **half-on-half growth** across both revenue and EBITDA. The Company's ability to deliver strong financial results half after half reflects its **scalable business model, disciplined expansion strategy, and increasing operational efficiency**.



MARKET ANNOUNCEMENT

Viva Leisure reaffirms its Q4 FY25 forecast, with expected quarterly revenue exceeding \$56 million and quarterly EBITDA above \$12.5 million. The company remains focused on optimising its existing network, driving free cash flow, and expanding its technology-driven offerings.

Revenue Forecast		EBITDA* Forecast		
Q4-FY2025	Q4-FY2025 Annualised	Q4-FY2025	Q4-FY2025 Annualised	FY2024 Actual EBITDA
>\$56m	>\$224m	>\$12.5m	>\$50m	\$35.4m

*Normalised EBITDA, excluding impacts of AASB16

ENDS

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

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About Viva Leisure:

Viva Leisure is the leading and fastest growing provider of health and fitness clubs across Australia. With a mission to connect more Australians to a healthier lifestyle, Viva operates a portfolio of brands across various fitness categories, offering premium, boutique, flexible, and affordable fitness options.

For further information, please visit:

- <https://www.vivaleisure.group/>
- <https://www.clublime.com.au/>
- <https://www.plus.fitness/>
- <https://groundup.studio/>
- <https://rebalance.studio/>
- <https://hiitrepublic.com.au/>
- <https://boutiquefitnessstudios.com.au/>
- <https://www.worldgym.com.au/>