

Viva expands Queensland presence with the acquisition of a further two Healthworks locations.

12 November 2019

Viva Leisure Limited (“Viva Leisure” or “the Company”), a leading, technology-focused Australian health club owner, is pleased to announce it has executed a binding sale and purchase agreement for two Healthworks Fitness Centres in Cleveland and Victoria Point, Queensland (“Healthworks Acquisition”). The acquisition sees Viva Leisure expand its presence in the Queensland market and comes less than a month after Viva Leisure announced its previous acquisition of eight Healthworks locations.

The acquisition price represents a headline multiple of 2.50 times FY19 normalised EBITDA, before synergies and will contribute approximately \$250,000 in EBITDA on a full-year run-rate pre-synergies. Given the benefit of Viva Leisure’s historical acquisition expertise, management expects to realise all post-acquisition synergies and, on this basis, expect the effective purchase price to represent a multiple less than 1.8 times FY19 on a full-year run-rate. The acquisition is expected to be immediately EPS accretive.

Completion is expected to occur within the next 30 days and will add approximately 2,500 new members to Viva Leisure’s growing portfolio.

Harry Konstantinou, CEO and Managing Director of Viva Leisure, commented:

“Expanding on our previously announced Queensland acquisition means Viva will be one of the largest club owners in the Queensland market with 10 owned locations at the completion of the acquisition. We continue to be excited about the Queensland market and the opportunities available for further acquisitions and greenfield locations. We confirm our previous guidance that we expect to be operating over 15 locations in Queensland within the next 12 months.”

Viva Leisure currently has 45 locations operating, with a further five locations (4:ACT, 1:NSW) to open in December 2019, and with the ten acquired Queensland locations (via the two separately announced acquisitions) will result in 60 operating locations at HY20 and a further 12 locations in the pipeline. This will represent a 50% increase in the number of clubs operating since 30 June 2019, equivalent to a new location opening on average every 1.3 weeks.

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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. The Company currently operates over 45 health clubs within the Australian Capital Territory, New South Wales, Victoria and Queensland, with the majority operating under the Club Lime brand.