

## Viva Leisure announces the acquisition of six Pinnacle Health Clubs in Victoria.

11 January 2021

- Viva Leisure to acquire six Pinnacle Health Clubs (“Pinnacle”) located in Victoria
- Total consideration between \$6.05m and \$6.25m depending on various completion conditions
- A minimum of 6,500 members to be acquired
- Strategically compelling acquisition in line with Viva Leisure’s stated strategy of expansion
- Strengthens Viva Leisure’s reach in Victoria
- Locations to be acquired already operating in a hub and spoke configuration
- Transaction to be funded using 50% debt and 50% equity from recent capital raise
- Acquisition multiple of 3.0 times FY19 normalised EBITDA<sup>1</sup> for five clubs, plus a reimbursement of capital costs and equipment for a recently opened 6<sup>th</sup> location
- Acquisition multiple pre-synergies
- FY19 Revenue of \$7.5m, FY20 COVID-19 impacted Revenue of \$5.8m
- EBITDA FY19 of \$1.75m (5 clubs) including \$0.1m of head office expense

### Acquisition of Pinnacle

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 business sale agreement for six Pinnacle health clubs for consideration of between \$6.05 million and \$6.25 million depending on various completion conditions (the **Acquisition**).

A minimum of 6,500 members are to be acquired. The Acquisition strengthens Viva Leisure’s presence in Victoria from 8 locations to 14 locations.

The acquisition is expected to be completed within the next 60 days.

Viva Leisure’s CEO and Managing Director, Harry Konstantinou said:

*“The acquisition of Pinnacle health clubs expands on and continues to cement Viva Leisure’s position as a leading and fast-growing health club owner and operator in the Australian market. In addition, the acquisition will strengthen and double Viva Leisure’s Victorian metropolitan presence and will provide further synergies such as marketing.*

*The Pinnacle business is a highly complementary business to Viva Leisure, and provides attractive membership options which could be rolled out through the rest of the Viva Leisure network.”*

<sup>1</sup> EBITDA is Earnings before interest, tax, depreciation and amortisation (excluding impacts of AASB16)

## **Financial Metrics**

The Acquisition price is between \$6.05 million and \$6.25 million depending on various completion conditions and timing. The Acquisition represents a historic FY19 EBITDA multiple of 3.0 times pre-synergies for the five locations operating in FY19 plus reimbursement of costs (\$1.0 million) for the sixth club and capital improvements during the COVID lockdown period.

## **Locations**

The six locations to be acquired are as follows and complement the existing Viva Leisure locations:

1. Caribbean Park
2. Mulgrave
3. Oakley
4. Parkdale
5. Scoresby
6. Upwey

ENDS

This announcement has been approved for release by the Board.

## **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. The Company currently operates 91 health clubs within the Australian Capital Territory, New South Wales, Victoria and Queensland, together with the master franchise for the Plus Fitness group of approximately 200 clubs.