



1H FY2021 HALF YEAR

**RESULTS
PRESENTATION**

25 FEBRUARY 2021

A black and white photograph of a woman with a joyful expression, wearing a headband that says "NO DAYS OFF" and a dark athletic top, sitting on a rowing machine in a gym. The background is dark and out of focus.

Viva Leisure Limited
ASX: VVA

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Presenting Today



Harry Konstantinou
Managing Director & Chief Executive Officer



Kym Gallagher
Chief Financial Officer

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KG

CLUBLIME

Word from our CEO

“ Our 1H FY2021 positive result is a credit to the entire Viva Leisure team. Coming out of a difficult COVID-19 period where we did not have all of our facilities open until December 2020, and still managing to match the EBITDA achieved in 1H FY2020 is a significant achievement.

Viva remains on track to achieve its 2025 target of 400 corporate owned locations, and with annualised revenue run rate now exceeding \$90m with more locations opening every month, we are excited about what the next 6, 12 and 18 months will bring. ”



home of hiit



Performance Highlights

1H FY2021 Performance Highlights

REVENUE

\$35.9m

PCP 56.4% ↑
(AFM \$3.6m)

EBITDA*

\$5.6m

PCP (0.5%) ↓
(AFM \$943k)

NPAT*

\$0.7m

PCP (77.0%) ↓

EBITDA MARGIN*

15.5%

PCP 24.4% ↓

MEMBERS⁺

102,908

PCP 70,886 ↑

CLUB m2⁺

89,146

PCP 49,373 ↑

LOCATIONS⁺

95

PCP 60 ↑
(AFM +3)

UTILISATION⁺

58.8%

Based on 2 members
per square metre

* Excluding impacts of AASB16

+ Viva Leisure owned locations

AFM refers to Australian Fitness Management, the Plus Fitness Master Franchisor

VIVA
LEISURE

Operational Achievements

95
Locations
(Dec 2020)

Locations (ACT)

46 | **37**
Dec 2020 | Dec 2019

Locations (NSW)

30 | **10**
Dec 2020 | Dec 2019

Locations (QLD)

11 | **10**
Dec 2020 | Dec 2019

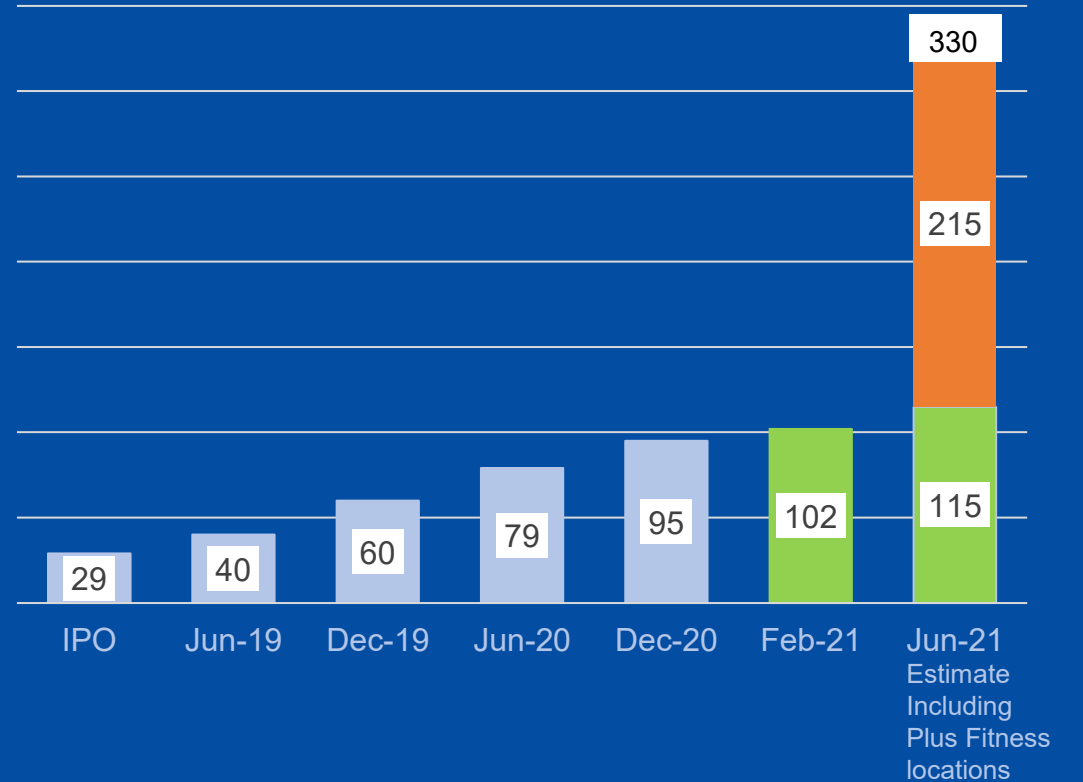
Locations (VIC)

8 | **3**
Dec 2020 | Dec 2019

Location numbers indicated above do not include the Plus Fitness locations

Locations Opened

■ Viva ■ Plus



ATTITUDE IS
EVERYTHING.



Financial Results

1H FY2021 Results

| Profit and Loss (\$m) | HY2021 | HY2020 | Variance % |
|-----------------------------|---------|---------|------------|
| Revenue | 35.95 | 22.99 | 56.4% |
| Operating Costs | (30.37) | (17.38) | 74.8% |
| EBITDA | 5.58 | 5.61 | (0.5%) |
| Depreciation / Amortisation | (3.83) | (1.54) | 148.6% |
| EBIT | 1.75 | 4.07 | (56.9%) |
| Finance Costs | (0.62) | (0.27) | 129.2% |
| NPBT | 1.13 | 3.80 | (70.2%) |
| Tax | (0.48) | (0.99) | (51.5%) |
| NPAT | 0.65 | 2.81 | (76.7%) |

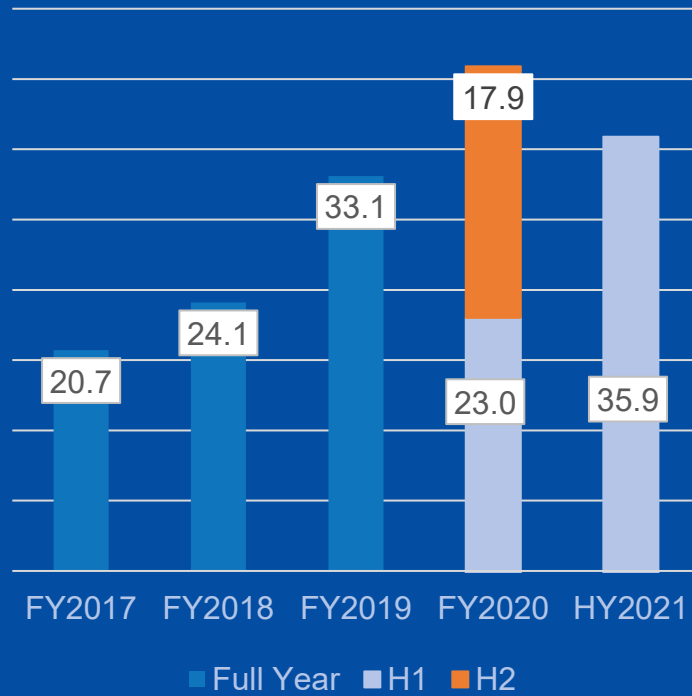
Comments

- Revenue growth of 56.4% however COVID-19 has impacted:
 - member and revenue growth due to uncertainty
 - increased wages and cleaning costs
 - time to breakeven for new rollouts
- Part contribution from Australian Fitness Management ownership

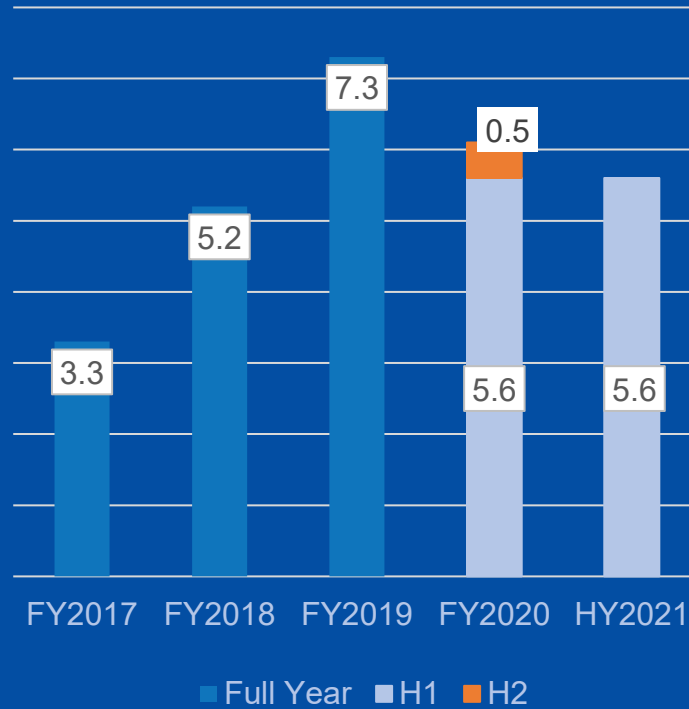
Results above exclude impacts of AASB16

Financial Snapshot

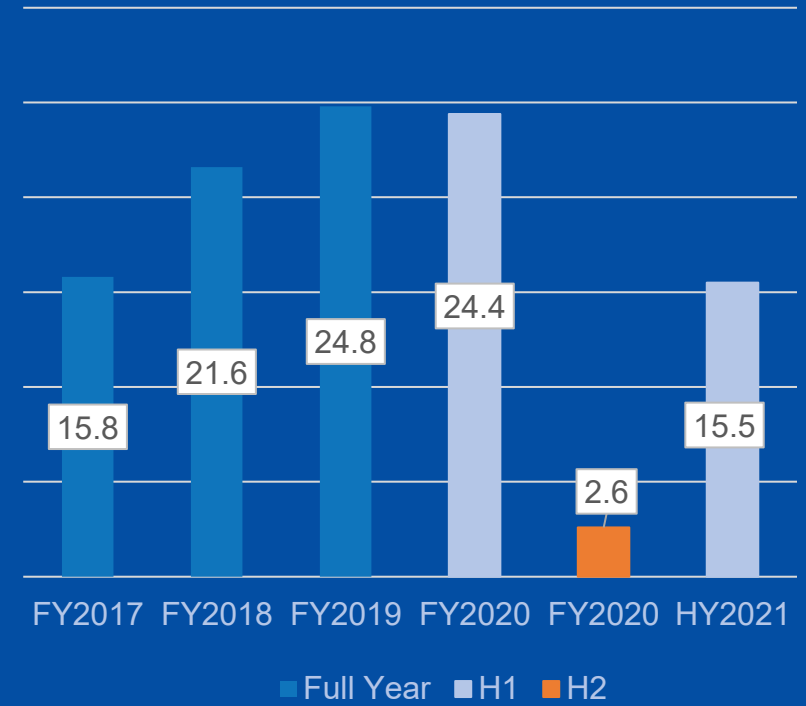
Revenue (\$m)



EBITDA (\$m)



EBITDA margin (%)

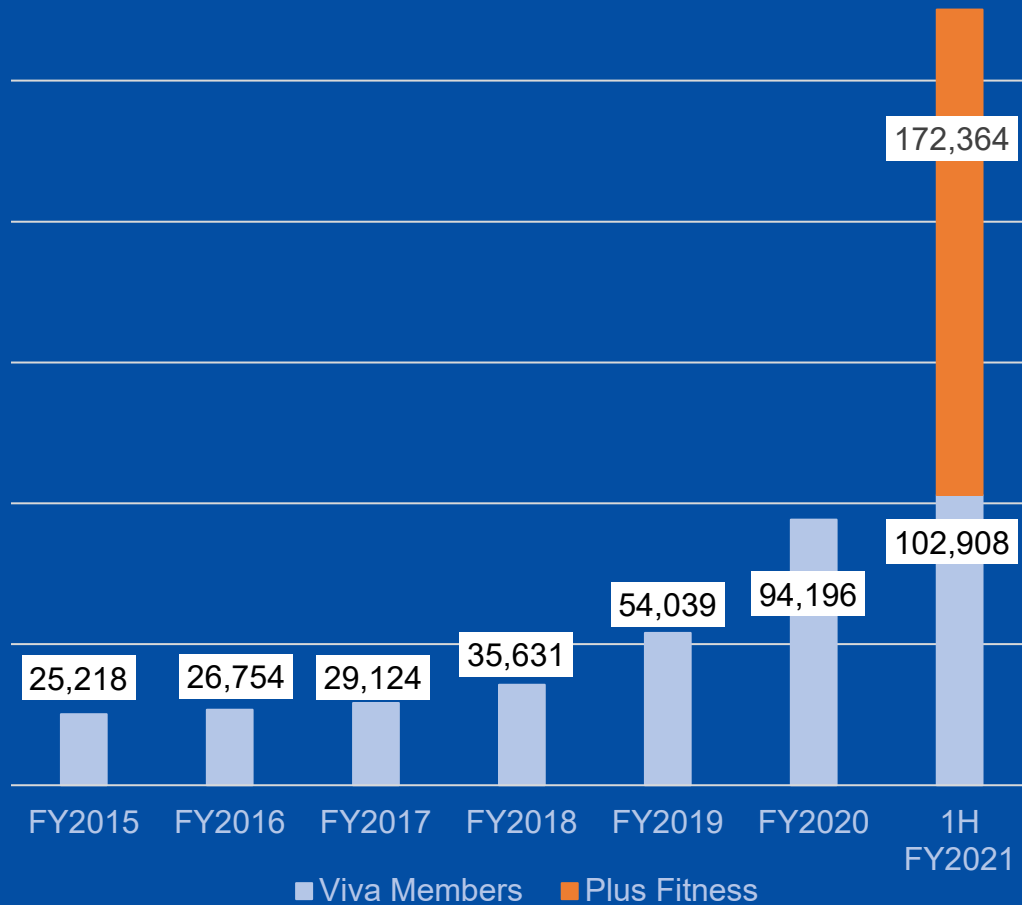


FY2020 Full year EBITDA Margin 14.8%

Results above exclude impacts of AASB16

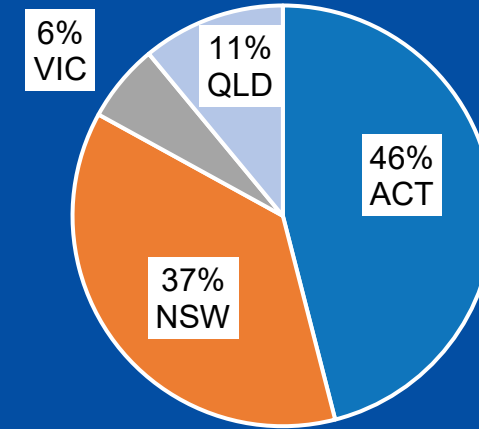
Member Snapshot

Members

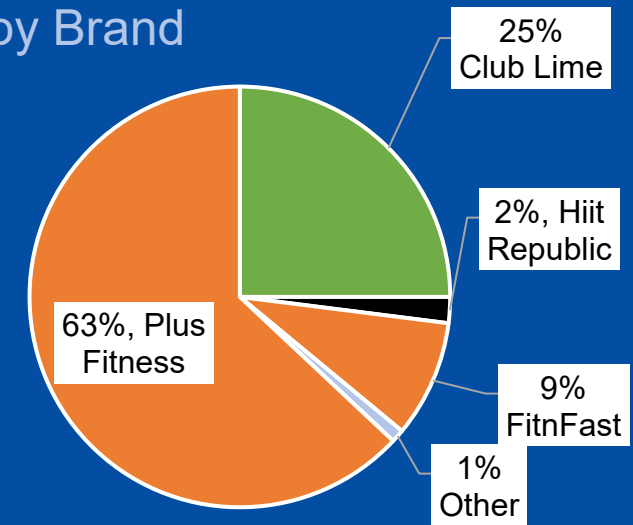


Members by State

Viva owned locations only



Members by Brand



Member Growth



Excludes Plus Fitness members.
See Slides 16-20 for further information on COVID impacts

1H FY2021 RESULTS PRESENTATION



Balance Sheet

| Balance Sheet (\$m) | HY2021 | FY2020 |
|----------------------------|---------------|---------------|
| Cash | 35.28 | 30.10 |
| Receivables and other CA's | 7.04 | 5.62 |
| Plant and Equipment | 58.84 | 44.69 |
| Intangibles | 39.28 | 20.53 |
| Deferred Tax | 8.84 | 13.50 |
| Total Assets | 149.28 | 114.45 |
| Trade and other Payables | 7.62 | 5.10 |
| Contract Liabilities | 4.08 | 0.86 |
| Leases - Equipment | 17.80 | 14.52 |
| Borrowings - Other | 7.62 | 7.99 |
| Provisions | 2.32 | 1.81 |
| Current and Deferred Tax | 6.76 | 9.26 |
| Total Liabilities | 46.20 | 39.53 |
| Net Assets | 103.08 | 74.91 |

Highlights

- Proceeds of December 2020 capital raise has strengthened balance sheet
- Large investment in new clubs with 15 new clubs rolled out
- Acquisition of Australian Fitness Management
- Total debt remains low, with significant borrowing capacity

Results above exclude impacts of AASB16

Cashflow

| Cashflows (\$m) | HY 2021 | HY 2020 |
|-------------------------------------|--------------|--------------|
| Opening cash | 30.10 | 14.39 |
| Cashflows from operations | 12.16 | 9.13 |
| Investment in P,P,E and Intangibles | (13.72) | (7.08) |
| Acquisition of Businesses | (17.43) | (3.87) |
| Impact of capital raisings | 28.94 | 19.15 |
| Proceeds/(repayment) of debt | (0.36) | 1.30 |
| Lease payments | (4.41) | (5.93) |
| Closing cash | 35.28 | 27.10 |

Highlights

- Strong investment in P&E for rollouts
- Acquisition of Australian Fitness Management (Plus Fitness)
- Proceeds of capital raise less costs

Results above exclude impacts of AASB16



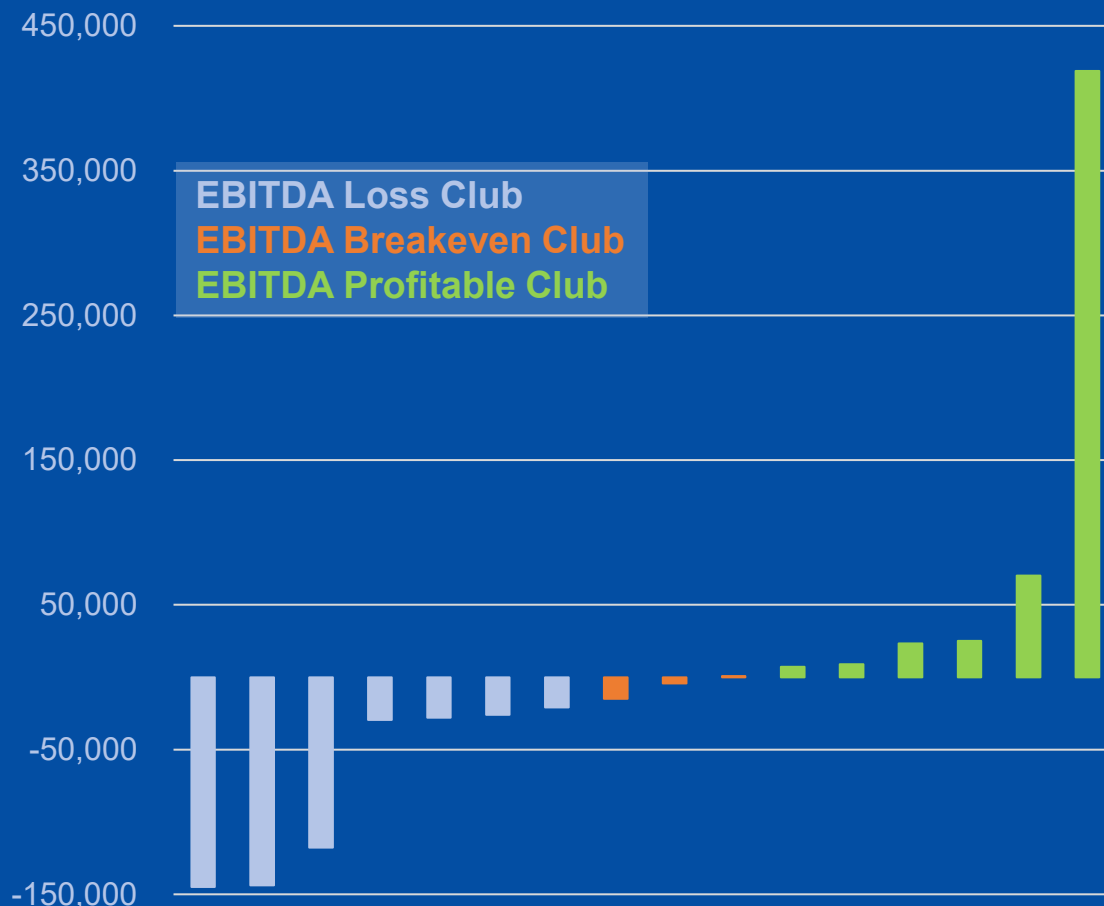
COVID-19

FY2021 COVID-19 Timeline



1H FY2021 Opened & Acquired Locations

EBITDA Performance of new 1H FY2021 clubs



Locations Opened

- 15 locations opened

Acquired Locations

- 1 location acquired (FitHQ Campbelltown)

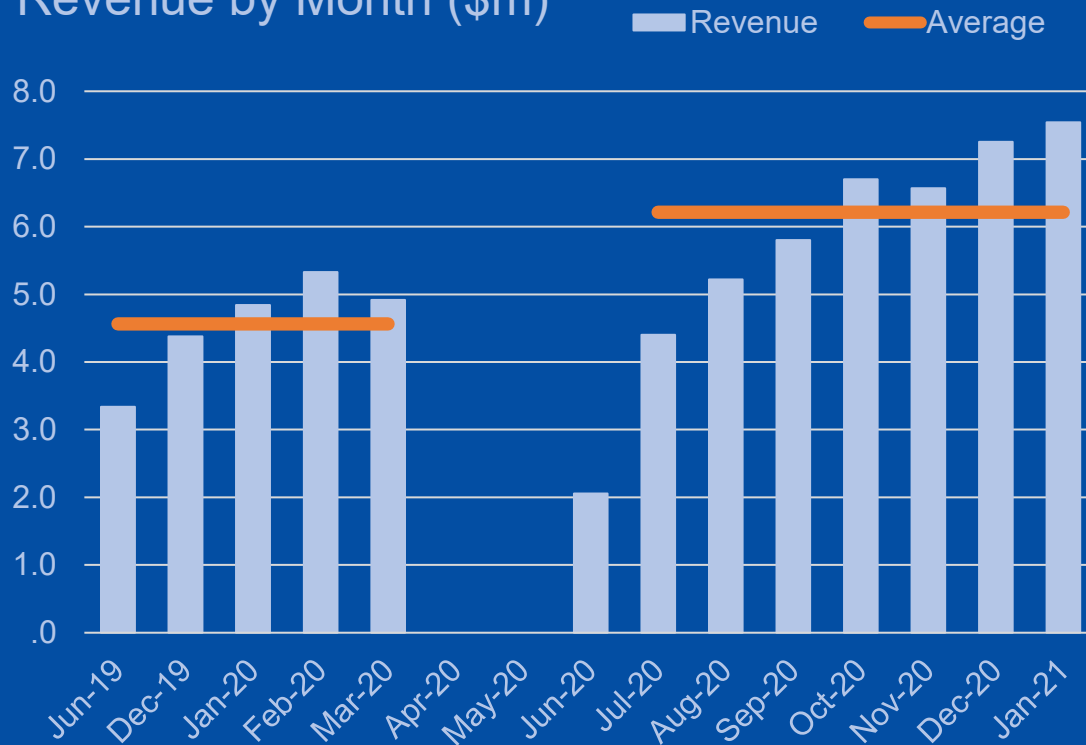
Notes

- Two Victorian clubs contributed ~\$262k EBITDA loss as were not permitted to open however had rentals and other costs
- Excluding Gungahlin (ACT) and the FitHQ acquisition, the 14 remaining opened clubs during 1H FY2021 contributed an EBITDA loss of ~\$443k (Average of ~\$56k pm, October to December)

COVID-19 Impacts

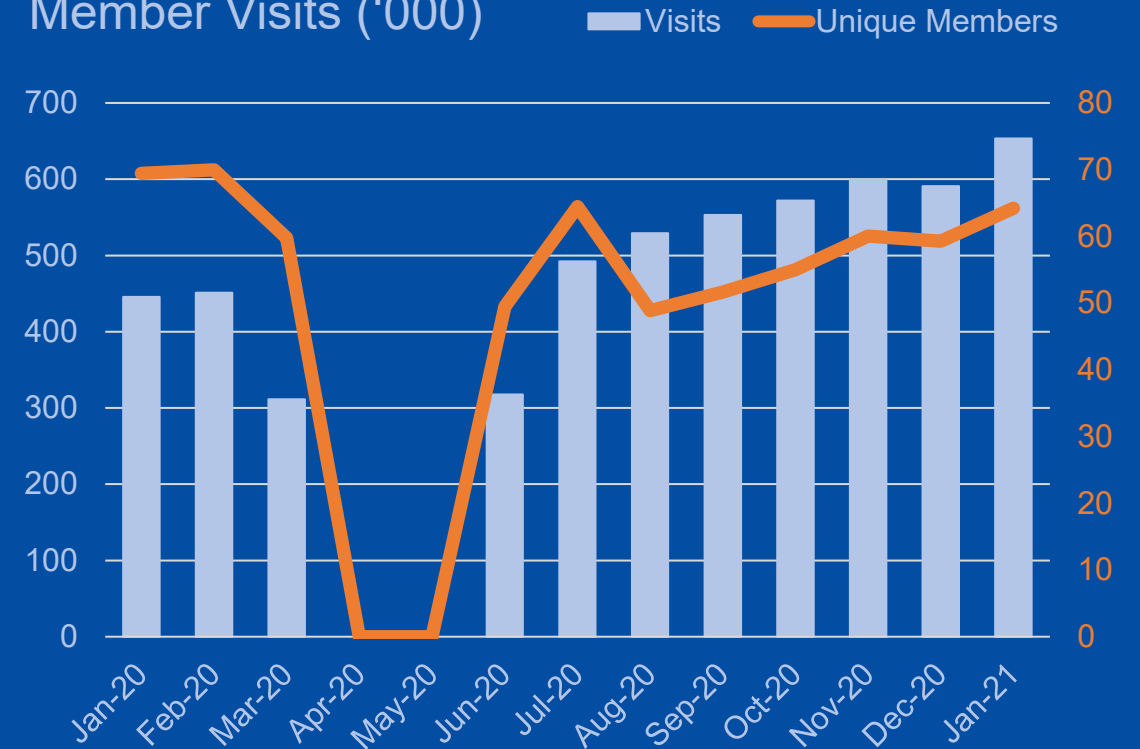
Member visits to Viva Leisure facilities including the Plus Fitness network will exceed 20 million visits in CY2021.

Revenue by Month (\$m)



- Mandatory Shutdown for COVID-19 occurred 23 March 2020
- No income received April and May 2020
- Includes Plus Fitness revenue (from Australian Fitness Management) as acquisition completed 21 August 2020

Member Visits ('000)



- "Unique members" counts the number of individual members who visited during the period (in thousands)
- Victorian locations closed for most of period which skews Unique member visits down
- Mandatory Shutdown for COVID-19 occurred 23 March 2020
- Excludes visits for Plus Fitness locations



EBITDA COVID Impacts (\$000's)



Based on Management forecasts.

COVID One Off Costs related to additional cleaning, cleaning suppliers, and marshals required to operate during re-opening.

A man with a beard and short hair is captured mid-air, performing a high jump. He is wearing a dark grey t-shirt, grey shorts, and red socks with white stripes. He is looking down with a focused expression. In the background, several other people are visible, some standing and some using gym equipment. The background wall is dark with horizontal lines and the word "home" in a stylized font. The overall scene is a gym or fitness studio.

home **iiit**

Outlook

Locations *Reaching more Australians*



Our Club Lime and hiit republic brands continue to expand into new markets

Our pipeline of new locations already secured will continue to grow our brands into new markets

Our pipeline never stops growing as we enter new markets and deploy our unique hub and spoke model into existing markets. With our recent acquisitions, the opportunities for hiit republic locations has increased

Building on our strong experience of acquiring and integrating new strategic locations

Outlook

Members

~122,000

Including 5 separate agreed acquisitions expected to settle in the next 60 days
~5,000 members

Acquisitions total ~\$3m

Annualised Revenue Run Rate

~\$90.0m

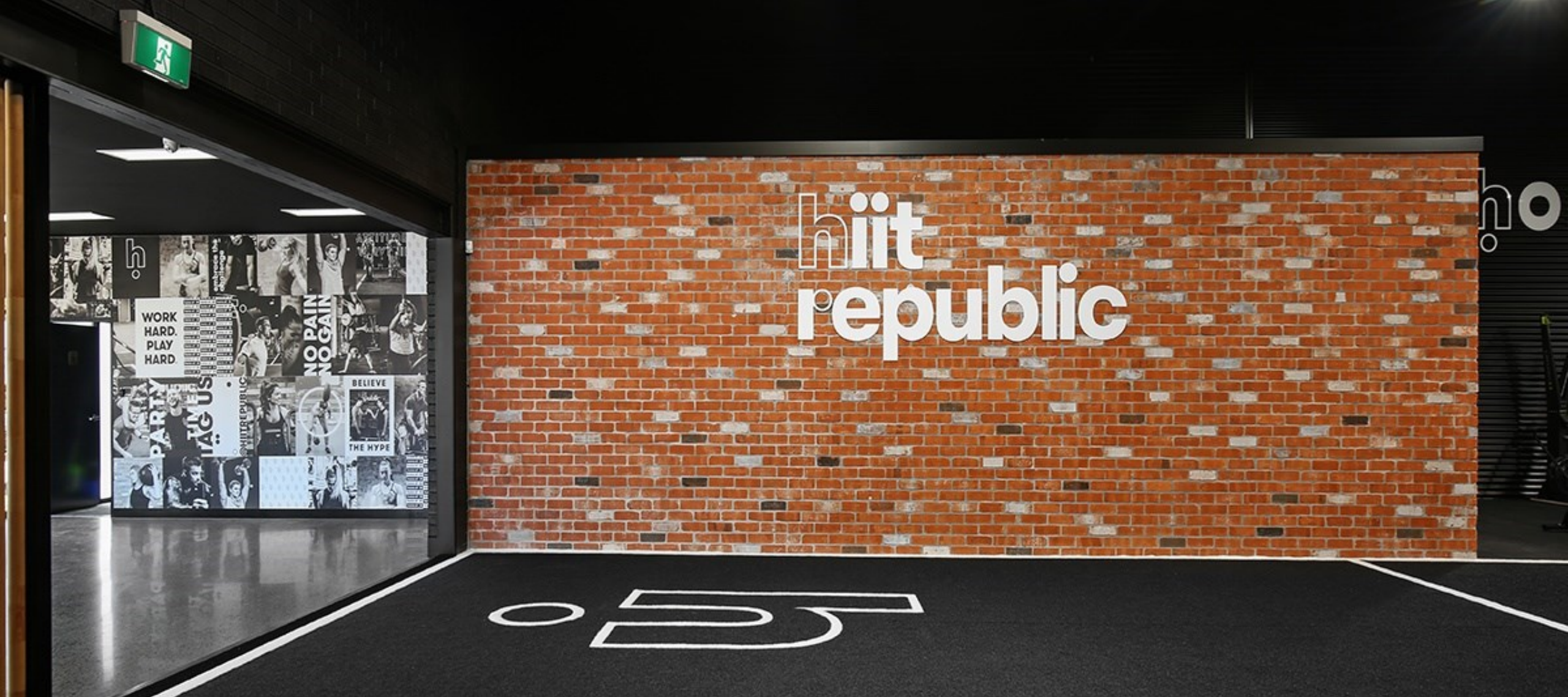
Based on January 2021 revenue of \$7.5m

Viva Leisure remains committed to reach it's 2025 target of having 400 corporate owned locations.

As at 24 February 2021



Q&A



Appendix

AASB 16 : Leases

AASB 16 Leases

Impact of AASB 16 Leases at 31 December 2020

Profit & Loss

- EBITDA impact – increase of \$8.7m
 - NPAT impact – reduction of \$4.0m
-

Balance Sheet

- Recognition of Right of Use Asset and Lease Liability
 - Total Assets impact – increase of \$214.2m
 - Total Liabilities impact – increase of \$227.9m
 - Net Asset impact – reduction of \$13.7m
-

Adoption date and comparatives

- AASB 16 was adopted from 1 July 2019
 - Applied prospectively with no prior period reinstatement
-

Statutory Reconciliation

Underlying & AASB 16 for the Half Year Ended 31 December 2020

| | HY 2021 | AASB16 | HY 2021 |
|------------------------------------|-----------|--------|--------------|
| Profit and Loss (\$m) | Statutory | Impact | (pre AASB16) |
| Revenue | 35.95 | 0.00 | 35.95 |
| EBITDA | 14.23 | (8.65) | 5.58 |
| Depreciation and Amortisation | 12.91 | (9.07) | 3.84 |
| EBIT | 1.32 | 0.42 | 1.74 |
| Finance Costs | 5.82 | (5.22) | 0.60 |
| Profit Before Tax | (4.50) | 5.64 | 1.14 |
| Income Tax Expense | (1.20) | 1.69 | 0.49 |
| Net Profit After Tax | (3.30) | 3.95 | 0.65 |
| Earnings per share (basic - cents) | (4.52) | 5.40 | 0.88 |

Statutory Reconciliation

Underlying & AASB 16 as at 31 December 2020

| Balance Sheet (\$m) | HY 2021 Statutory | AASB16 Impact | HY 2021 (pre AASB16) |
|------------------------------|----------------------|------------------|-------------------------|
| Cash | 35.28 | - | 35.28 |
| Receivables and other CA's | 7.04 | - | 7.04 |
| Plant and Equipment | 39.92 | 18.93 | 58.84 |
| Right of Use Asset | 180.82 | (180.82) | - |
| Intangibles | 39.28 | - | 39.28 |
| Deferred Tax | 61.13 | (52.29) | 8.84 |
| Total Assets | 363.47 | (214.18) | 149.28 |
| Trade and other Payables | 7.62 | - | 7.62 |
| Contract Liabilities | 4.08 | - | 4.08 |
| Borrowings - Bank | 17.80 | - | 17.80 |
| Borrowings - Equip Leases | 174.30 | (174.30) | - |
| Borrowings - Property Leases | 7.62 | - | 7.62 |
| Current and Deferred Tax | 7.37 | (5.05) | 2.32 |
| Other Liabilities | 55.33 | (48.57) | 6.76 |
| Total Liabilities | 274.12 | (227.92) | 46.20 |
| Net Assets | 89.35 | 13.74 | 103.08 |

Statutory Reconciliation

Underlying & AASB 16 for the Half Year Ended 31 December 2020

| Cashflows (\$m) | HY 2021 Statutory | AASB16 Impact | HY 2021 (pre AASB16) |
|-----------------------------------|----------------------|------------------|-------------------------|
| Opening cash | 30.10 | - | 30.10 |
| Cashflows from operations | 12.16 | (8.65) | 3.51 |
| Investment in plant and equipment | (13.72) | - | (13.72) |
| Acquisition of businesses | (17.43) | - | (17.43) |
| Impact of capital raising | 28.94 | - | 28.94 |
| Proceeds/(repayment) of debt | (0.36) | - | (0.36) |
| Lease payments | (4.41) | 8.65 | 4.24 |
| Closing cash | 35.28 | - | 35.28 |