



MARKET UPDATE PRESENTATION

MAY 2021

25 MAY 2021

Viva Leisure Limited
ASX: VVA



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CLUBLIME

Welcome

Welcome to the first bi-monthly market update from Viva Leisure.

This regular report to the market and our shareholders is designed to provide further insights into the multiple markets and segments within the fitness industry that Viva Leisure operates.

Due to the COVID shutdowns approximately 12 months ago, comparing to the Previous Corresponding Period is not a relevant comparison position. Accordingly for this report (and likely the next report) we have compared movement in metrics to the last month of the previously reported half year results (December 2020). We will then move to traditional reporting against the period 12 months earlier.

The report provides a “Consolidated View” and individual business segment views (Health Clubs, Hiit Republic, and Plus Fitness). Readers can distinguish between the different views by the reference in the left margin of each page if relevant.

“ *As the Viva Leisure business has continued to expand into multiple markets and segments, further insights into the data that management use on a regular basis to drive the business is being shared with our shareholders.*

I hope that these little insights show you the various verticals within our business, as well as the determination our entire team has to continue to grow the business into the largest and most diverse fitness provider in Australia.

”
Harry Konstantinou, CEO, Viva Leisure Limited



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Consolidated (All Segments)

MONTHLY RRR

\$8.1m

PCP % 11.4%

DAILY RRR

\$269,480

PCP % 11.4%

MEMBERS

295,808

PCP % 8.0%

MEMBERS NMM

21,834

PCP N/C

LOCATIONS

306

PCP 296

Consolidated (Owned locations only)

CLUB m2

100,615

PCP % 14.9%

UTILISATION

59.60%

PCP 58.0%

ARPM⁺

\$14.29

PCP \$13.42

CLUB MARGIN

34.20%

PCP 32.1%

CHURN

5.0%

PCP 4.8%

- Excluding impacts of AASB16
- + Excluding GST

PCP period: April 2021 compared to December 2020

MARKET UPDATE (MAY 2021)

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MONTHLY RRR

\$6.8m

PCP % 24.9%

DAILY RRR

\$225,265

PCP % 24.9%

MEMBERS

116,163

PCP % 18.4%

MEMBERS NMM

18,066

PCP N/C

LOCATIONS

87

PCP 76

CLUB m2

90,651

PCP % 13.5%

UTILISATION

61.50%

PCP 59.2%

ARPM⁺

\$13.22

PCP \$12.60

CLUB MARGIN

35.60%

PCP 34.5%

CHURN

4.6%

PCP 4.7%

- Excluding impacts of AASB16
- + Excluding GST

PCP period: April 2021 compared to December 2020

MARKET UPDATE (MAY 2021)

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MONTHLY RRR

\$0.7m

PCP % 15.7%

DAILY RRR

\$22,657

PCP % 15.7%

MEMBERS

5,464

PCP % 13.5%

MEMBERS NMM

652

PCP N/C

LOCATIONS

20

PCP 19

CLUB m2

9,964

PCP % 29.6%

UTILISATION

36.60%

PCP 41.7%

ARPM⁺

\$28.64

PCP \$28.13

CLUB MARGIN

41.40%

PCP 40.6%

CHURN

5.6%

PCP 5.3%

- Excluding impacts of AASB16
- + Excluding GST

PCP period: April 2021 compared to December 2020

MARKET UPDATE (MAY 2021)

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MONTHLY RRR

\$0.6m

PCP % -53.3%

DAILY RRR

\$19,565

PCP % -53.3%

MEMBERS

174,181

PCP % 1.8%

MEMBERS NMM

3,116

PCP N/C

LOCATIONS

199

PCP 201

Represents the Australian Fitness Management (Master Franchisor) business and does not include corporate owned Plus Fitness locations performance

- Excluding impacts of AASB16
- Revenue for AFM can vary each month depending on club openings
 - PCP period: April 2021 compared to December 2020

MARKET UPDATE (MAY 2021)



Revenue (\$m)

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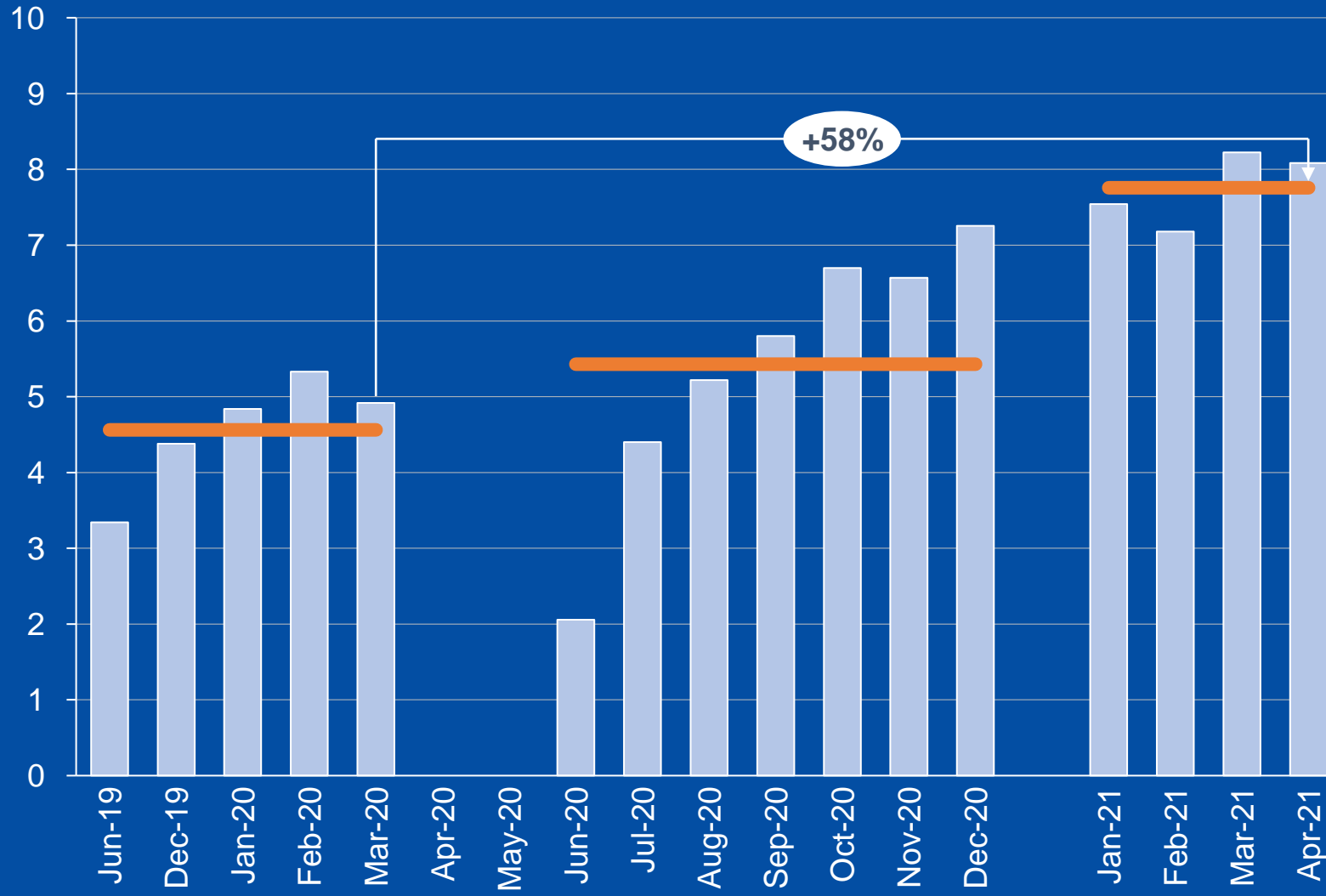
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- April 2021 revenue in line with March 2021 revenue despite:
 - Public Holidays (causes a disruption to signup momentum)
 - COVID-19 Snap 3 day lockdowns
 - One less day in April compared to March
- Second consecutive month with revenue above \$8m
- Clear average increase in revenue in H2-FY21 over H1-FY21
- March 2020 (Pre-COVID) to April 21 increase in revenue of 58%
- January 2021 represents the start of all facilities open in all locations (ie: all COVID restrictions lifted)

Orange line: Average Grey bar: Revenue

Revenue (\$m)

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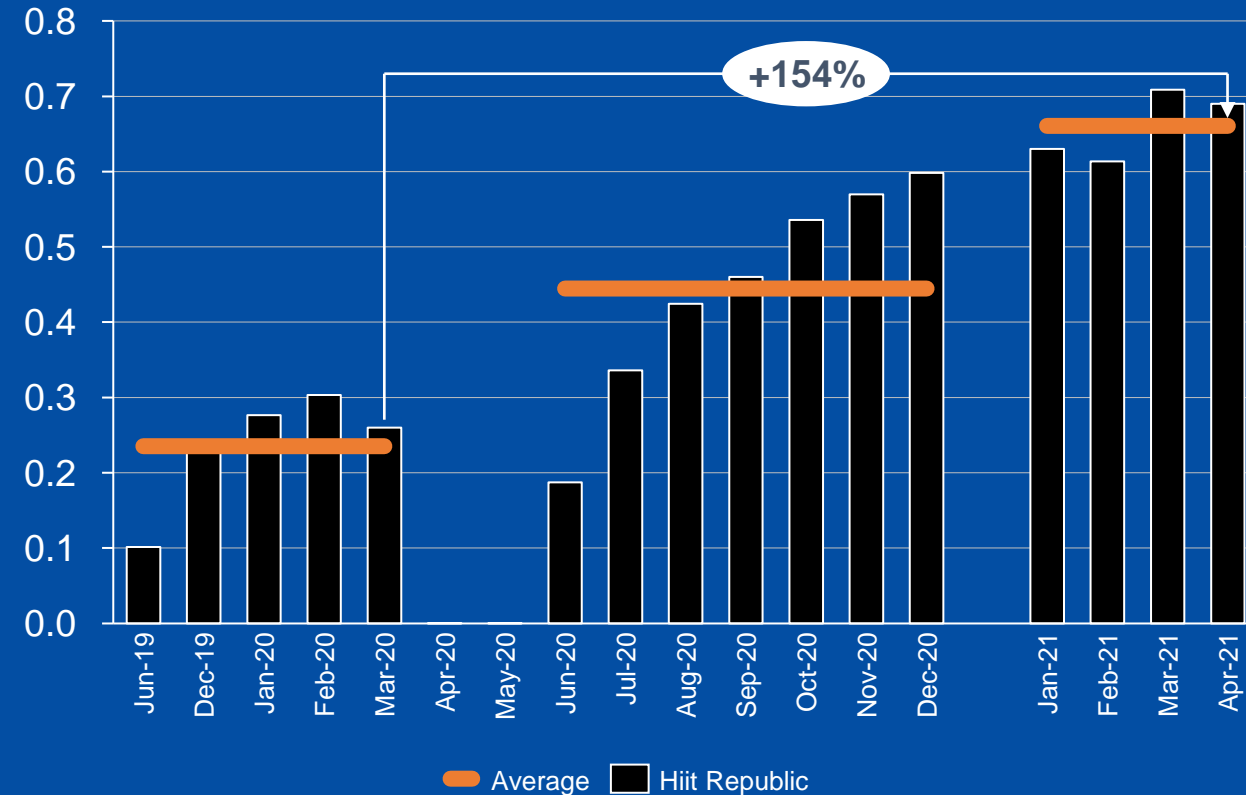
Greenfield Locations

Acquisitions Update

Glossary



- Revenue in the “Health Clubs & Other” Group comprises all revenue from health club brands (Club Lime, FitnFast, Pinnacle, etc), Aquatics and Swim School revenue, Boutique studio revenues, and corporate head office revenues.



- Hiit Republic revenue continues to increase as greenfield rollouts open.
- March 2020 (Pre-COVID) to April 2021 revenue increase of 154%
- Slight decrease in revenue for April due to one less day, COVID snap lockdown disruptions, and public holidays

Revenue by Geographic Region (\$m)

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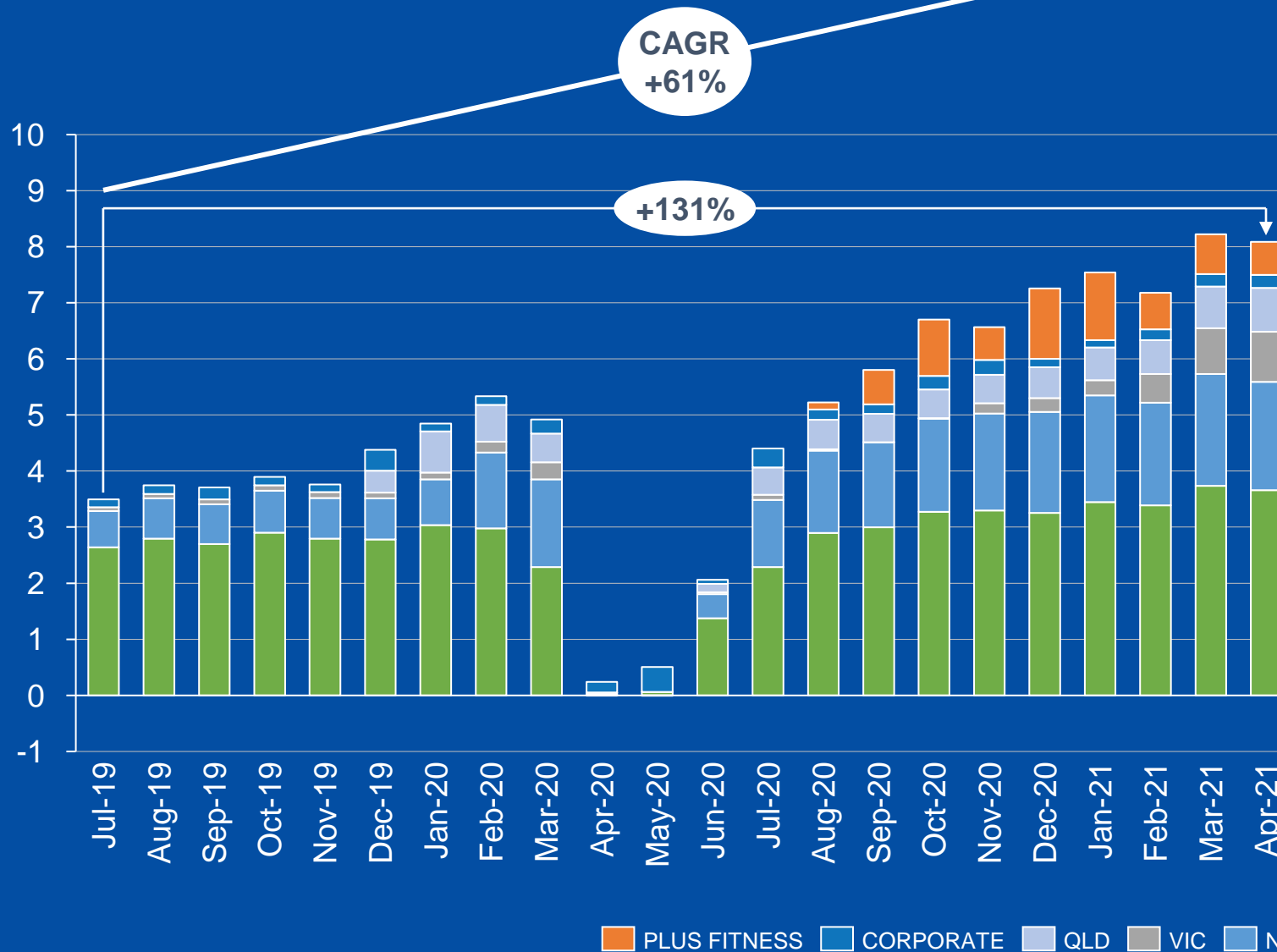
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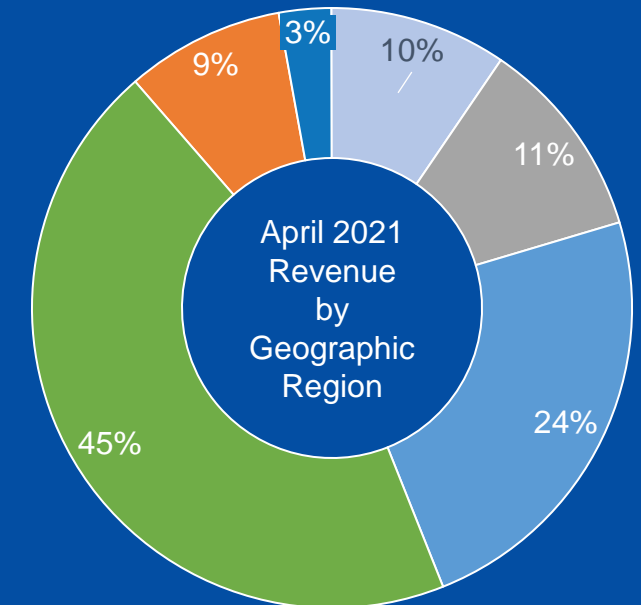
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- 131% increase in revenue from July 2019 to April 2021 (CAGR of 61%)
- ACT revenue continues to increase, however now forms a smaller percentage of overall Group revenue
- Corporate revenue refers to corporate memberships and other invoiced customers (ie: insurance companies)



YTD Revenue Growth (\$'000)

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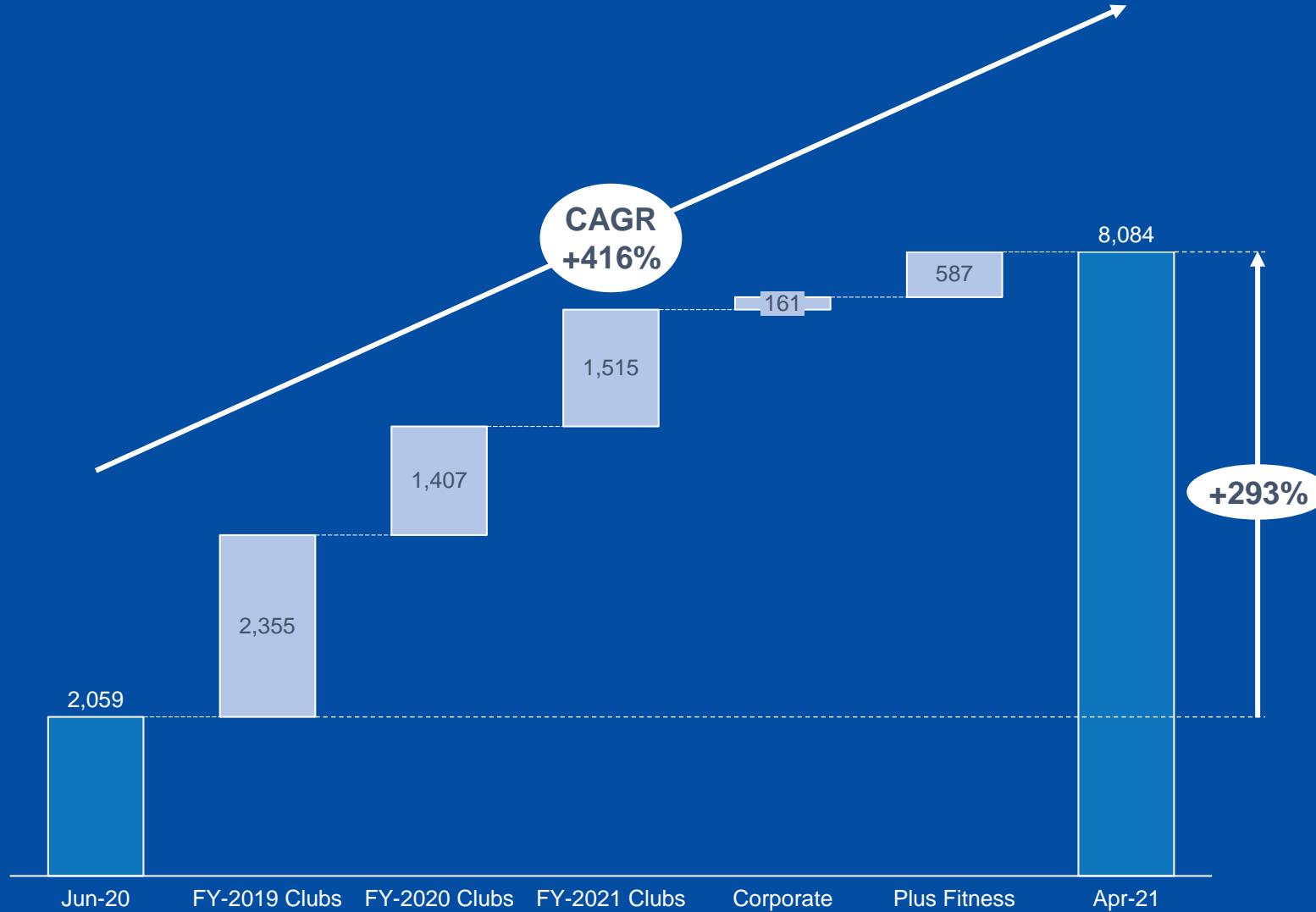
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- Revenue growth from June 2020 split by the Financial Year in which clubs opened or were acquired
- FY2019 refers to clubs opened or acquired in FY2019 as well as any clubs from previous years
- Included clubs:
 - FY-2019: 46
 - FY-2020: 34
 - FY-2021: 27

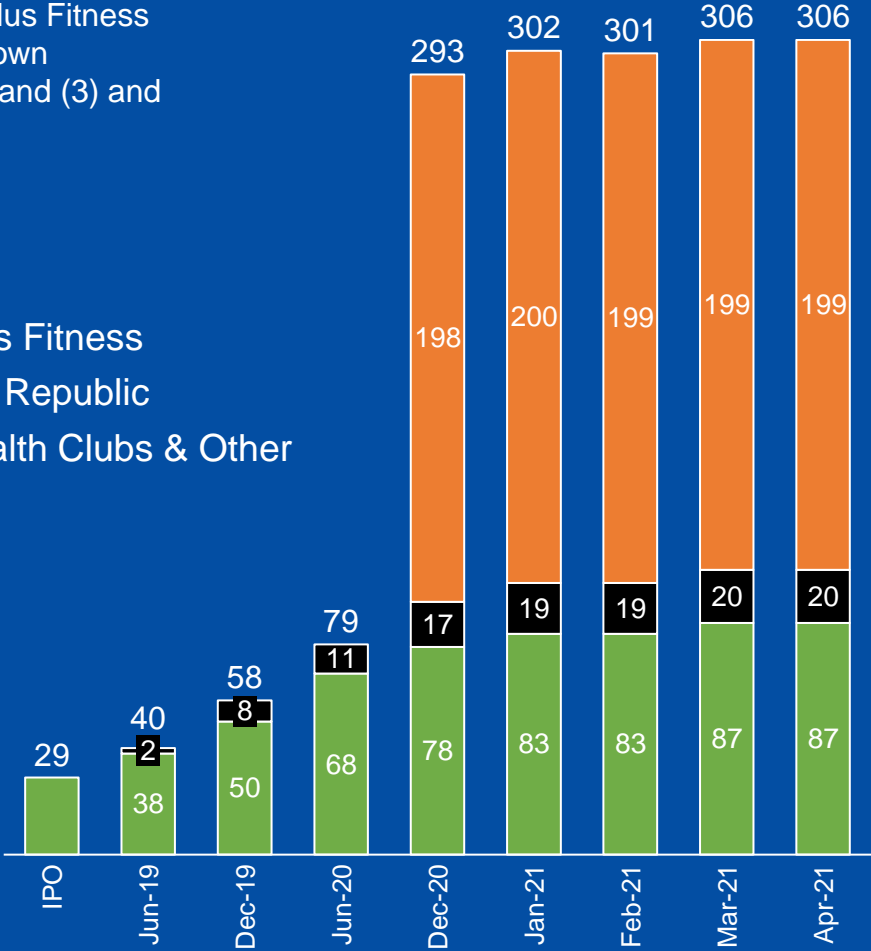
Locations

- **Health Clubs & Other & Hiit Republic** are all Corporate owned locations (referenced as “Viva” in the map)
- **Plus Fitness** includes both Corporate and Franchised locations. Refer Plus Fitness section for breakdown
- Includes New Zealand (3) and India (4) locations

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Plus Fitness
Hiit Republic
Health Clubs & Other



AUSTRALIA

VIVA PLUS

As at 30 April 2021

MARKET UPDATE (MAY 2021)

Locations



AUSTRALIA

Health Clubs
& Other

As at 30 April 2021

MARKET UPDATE (MAY 2021)

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CLUBLIME



- Health Clubs & Other includes the following brands:
 - Club Lime
 - FitnFast
 - Pinnacle
 - Psycle Life
 - Studio by Club Lime
 - GroundUp
- As well as recent acquisitions
 - Active Life (Norman Park, QLD)
 - Coffs Coast (Coffs Harbour, NSW)
- And the following segments:
 - Aquatics
 - Swim School
- Plus Fitness Corporate owned locations not included



Locations

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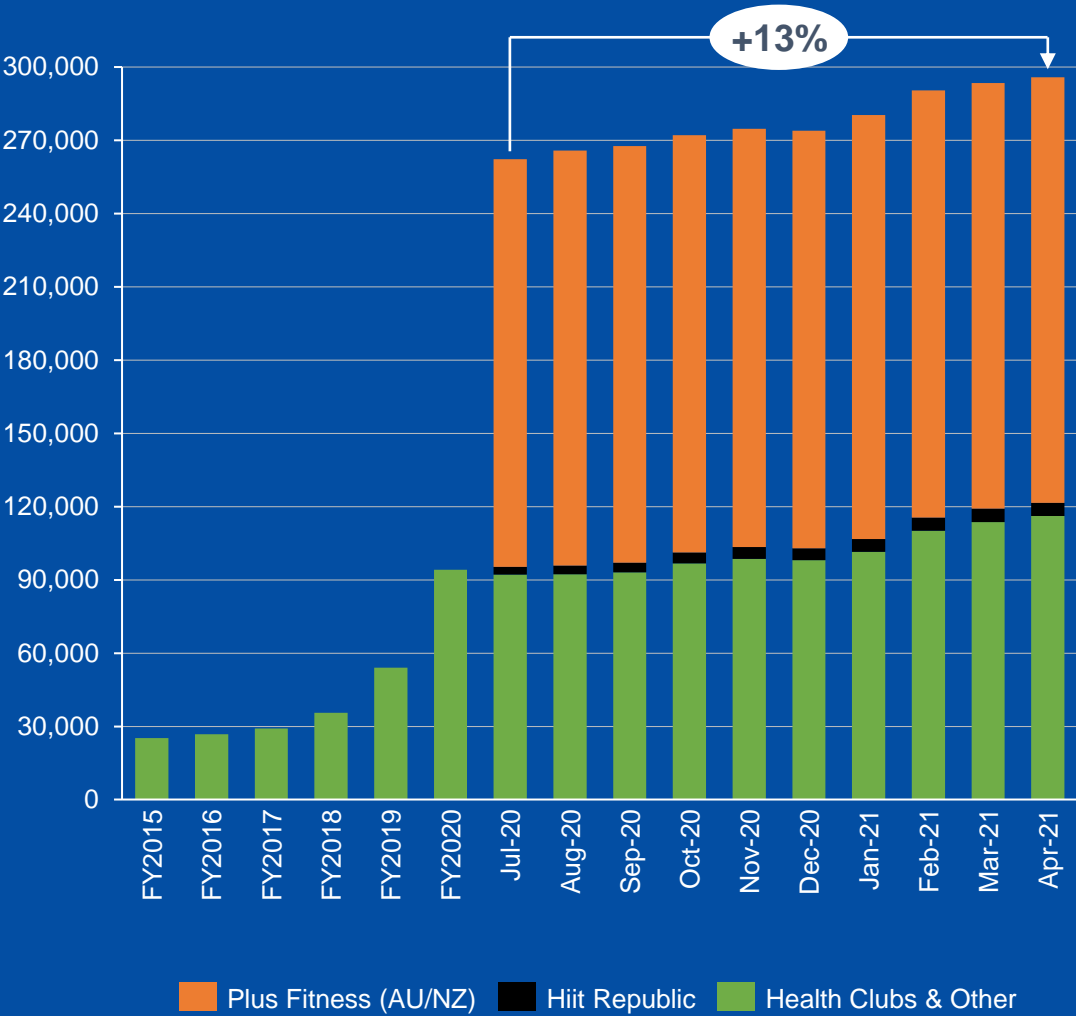
Hiit Republic

As at 30 April 2021

- Greenfields rollouts continue to open as the brand expands interstate
- First Queensland location opened in May 2021
- Locations have doubled from April 2020



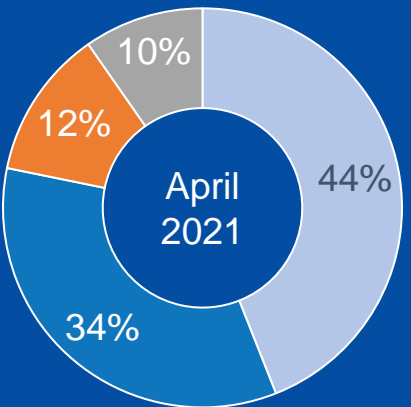
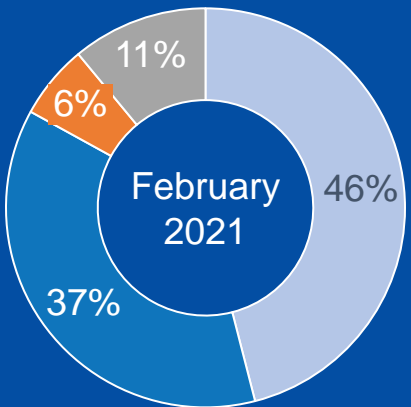
Member Snapshot



Plus Fitness Corporate Owned locations included in Plus Fitness figures

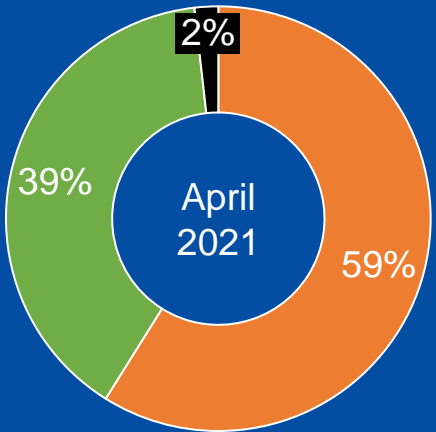
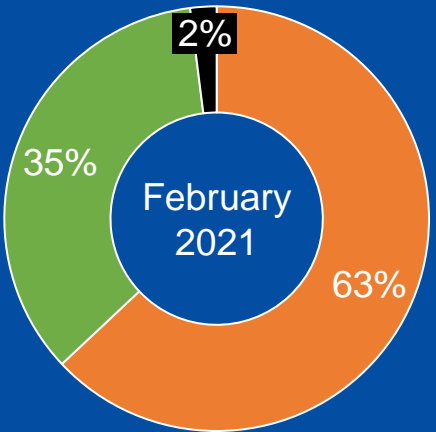
Members by State

Viva owned locations only



ACT NSW VIC QLD

Members by Segment



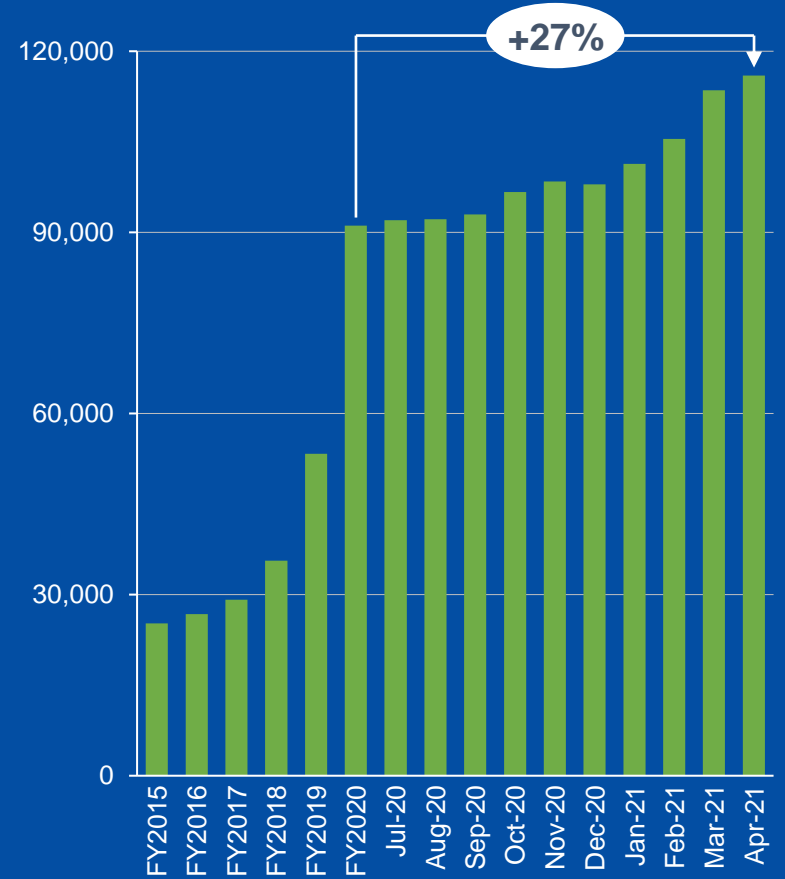
Plus Fitness (AU/NZ) Health Clubs & Other Hiit Republic

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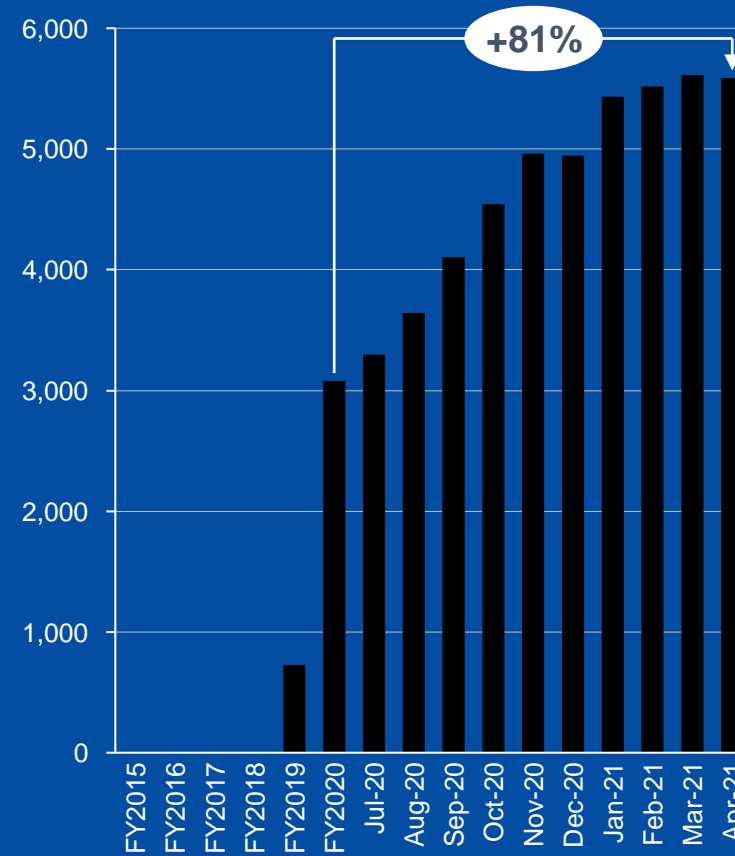


Member Growth by Segment

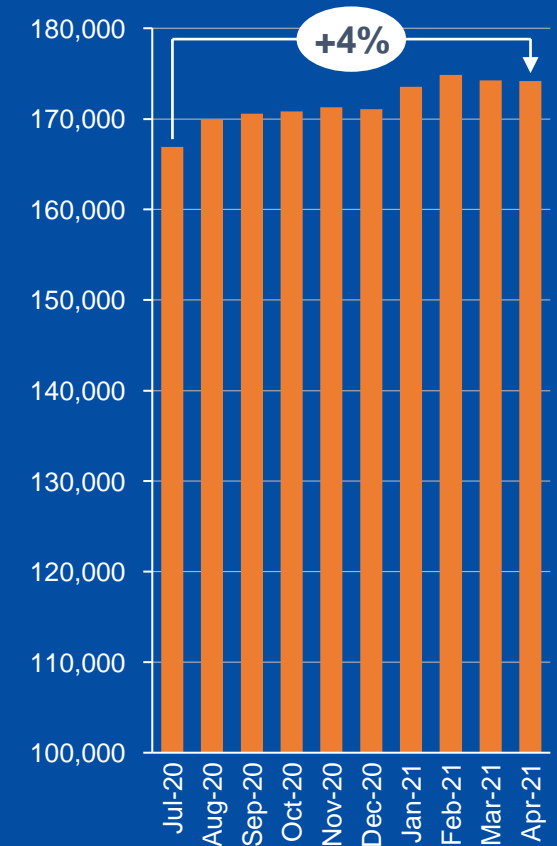
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Health Clubs & Other
Excludes Plus Fitness Corporate Owned locations



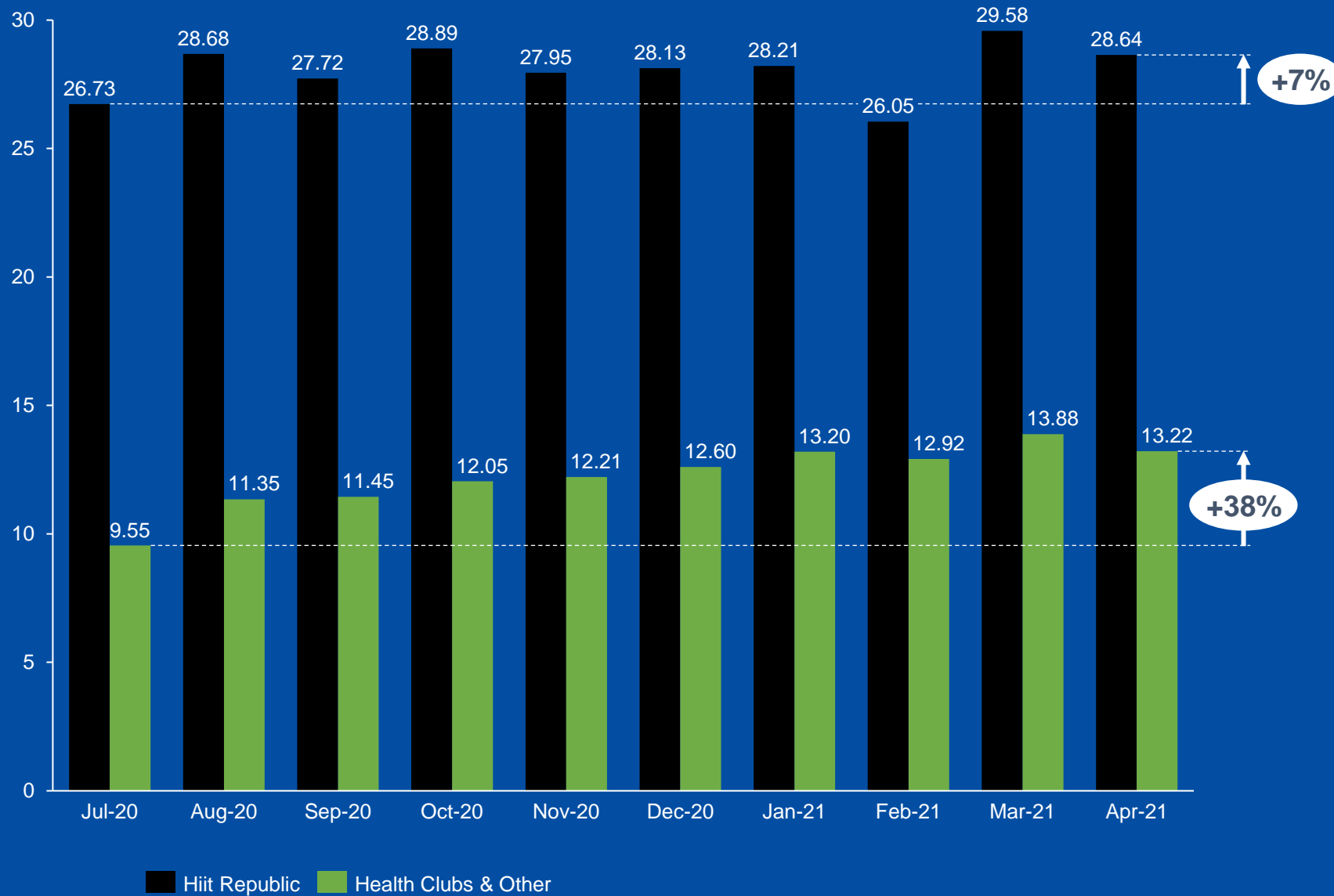
Hiit Republic



Plus Fitness (AU/NZ)
Excludes India



Average Revenue Per Member (per week)



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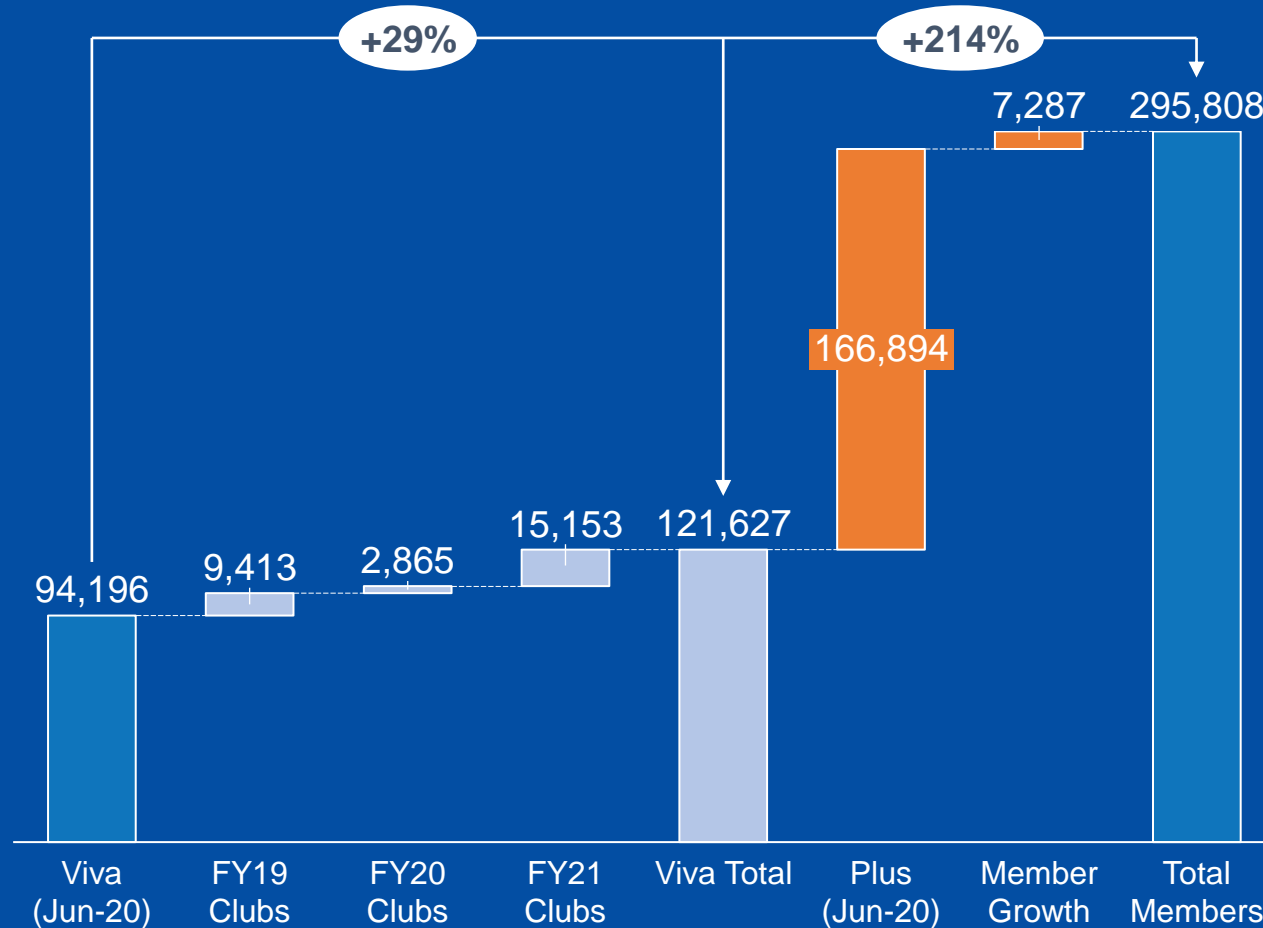
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- Hiit Republic ARPM continues to increase however is reliant on whether the hiit republic is in a hub-spoke configuration with a health club or is stand-alone
- Hiit Republic pricing review currently underway to consider removing entry level (\$29.90pw) pricing from new locations and using the \$34.90 pricing as the new base/entry level for new locations and new members.
- Health Clubs introduction of the Pinnacle portfolio in March 2021 increased overall ARPM
- Plus Fitness franchisee ARPM not available
- ARPM is shown excluding GST. Add GST to determine 'retail pricing' paid by members.

Membership Growth

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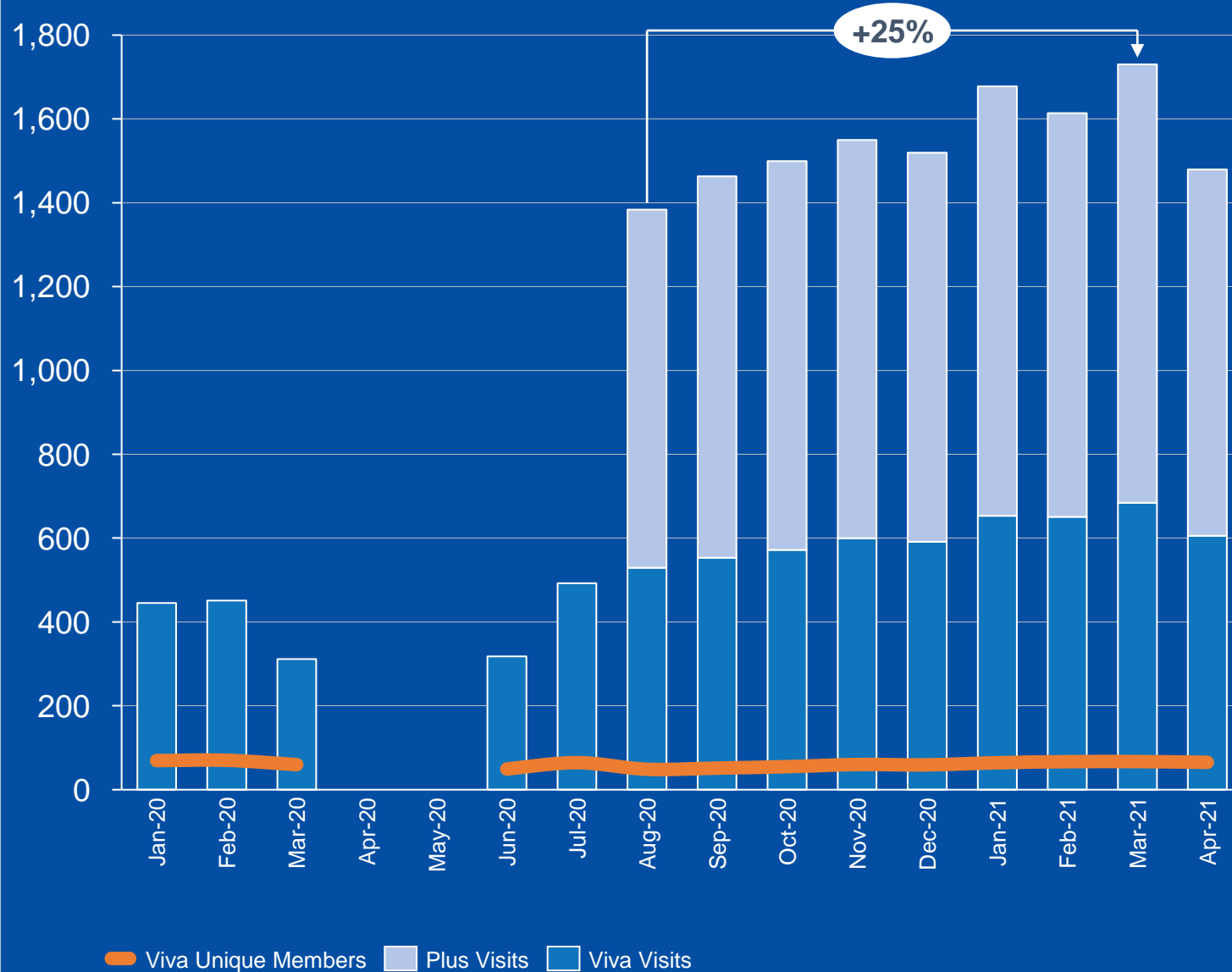
- **“FY19/FY20/FY21 Clubs”** represent membership movement for locations opened or acquired in that year
- Plus totals include Viva Corporate owned franchised Plus Fitness locations
- FY2019 refers to clubs opened or acquired in FY2019 as well as any clubs from previous years
- Included clubs:
 - FY-2019: 46
 - FY-2020: 34
 - FY-2021: 27

(as at April 2021)

MARKET UPDATE (MAY 2021)

Member Monthly Visits ('000s)

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- April 2021 visitations affected by various snap COVID-19 lockdowns and public holidays
- Based on days per month
- ~20 million member visits per year across the entire network
- 25% Member monthly visit growth comparison from August 2020, the month in which AFM was acquired.

One member visit every
1.5 seconds
for the month of March 2021

Health Clubs Update



- The Club Lime portfolio continues to expand both organically, with conversions (from FitnFast) and via acquisitions.
- There are 73 clubs in the portfolio, and the following conversions to Club Lime are expected to be completed over the next 60 days:
 - FitnFast Campbelltown, NSW
 - FitnFast Shellharbour, NSW
 - Active Life Norman Park, QLD
 - Coffs Coast (2 locations), NSW
- The Club Lime portfolio is the second largest non-franchised health club brand in Australia.



- The FitnFast portfolio originally comprised of 13 locations (acquired February 2020).
- During the COVID shutdown, five of these locations were rebranded and refurbished to Club Lime, leaving 8 locations.
- During March and April 2020, a further 6 locations have been re-branded to Club Lime, leaving 2 locations remaining as FitnFast as at April 2021.
- The 2 remaining locations are expected to be re-branded to Club Lime and refurbished in the next 60 days.



- The Pinnacle portfolio of six locations was acquired in February 2021.
- There is no immediate plan to re-brand the portfolio to Club Lime as it is currently operating strongly and has a slightly different product offering to Club Lime.
- Management will continue to monitor the brand and is considering potentially implementing some of the Pinnacle systems into various Club Lime locations which have been identified as suitable.

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Hiit Republic Update

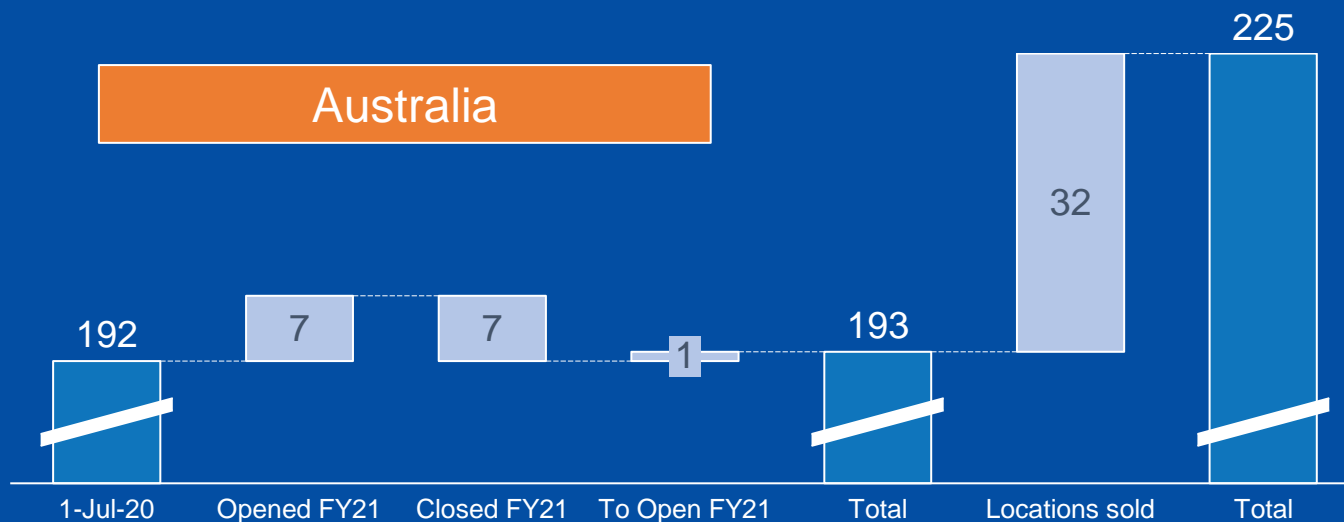
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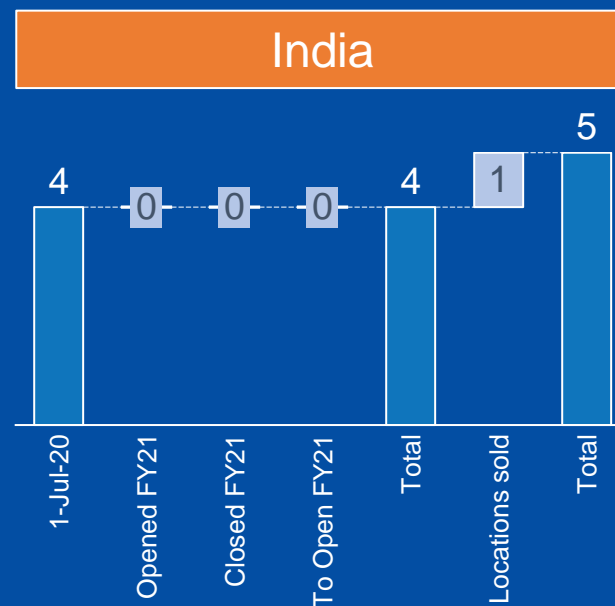
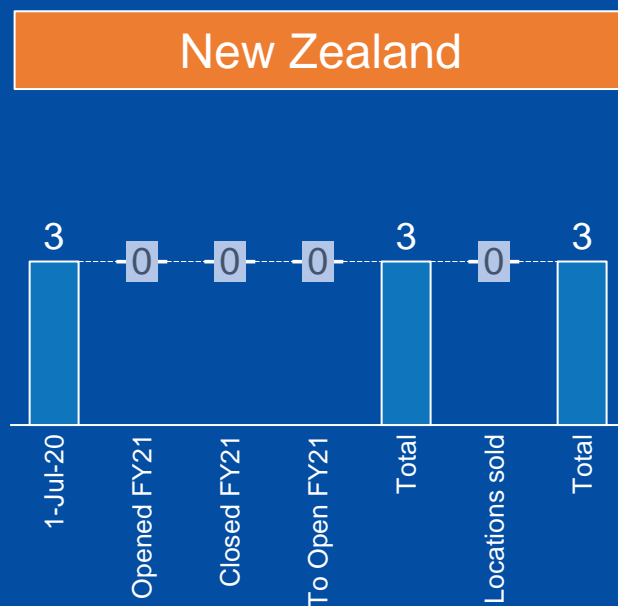
- The Hiit Republic portfolio now comprises 20 locations. The first location was opened in March 2019.
- A further 2 locations have opened in May 2021, including the first location in Queensland.
- A review is currently underway to increase (for new members and new locations) the minimum weekly fee from \$29.90 to \$34.90 now that the brand is well established in some markets and gaining significant following.
- As at April 2021:
 - Average Membership per location is 279 members
 - Average 4-wall EBITDA margin for the hiit republic portfolio currently sits at 41.4%

Plus Fitness Update

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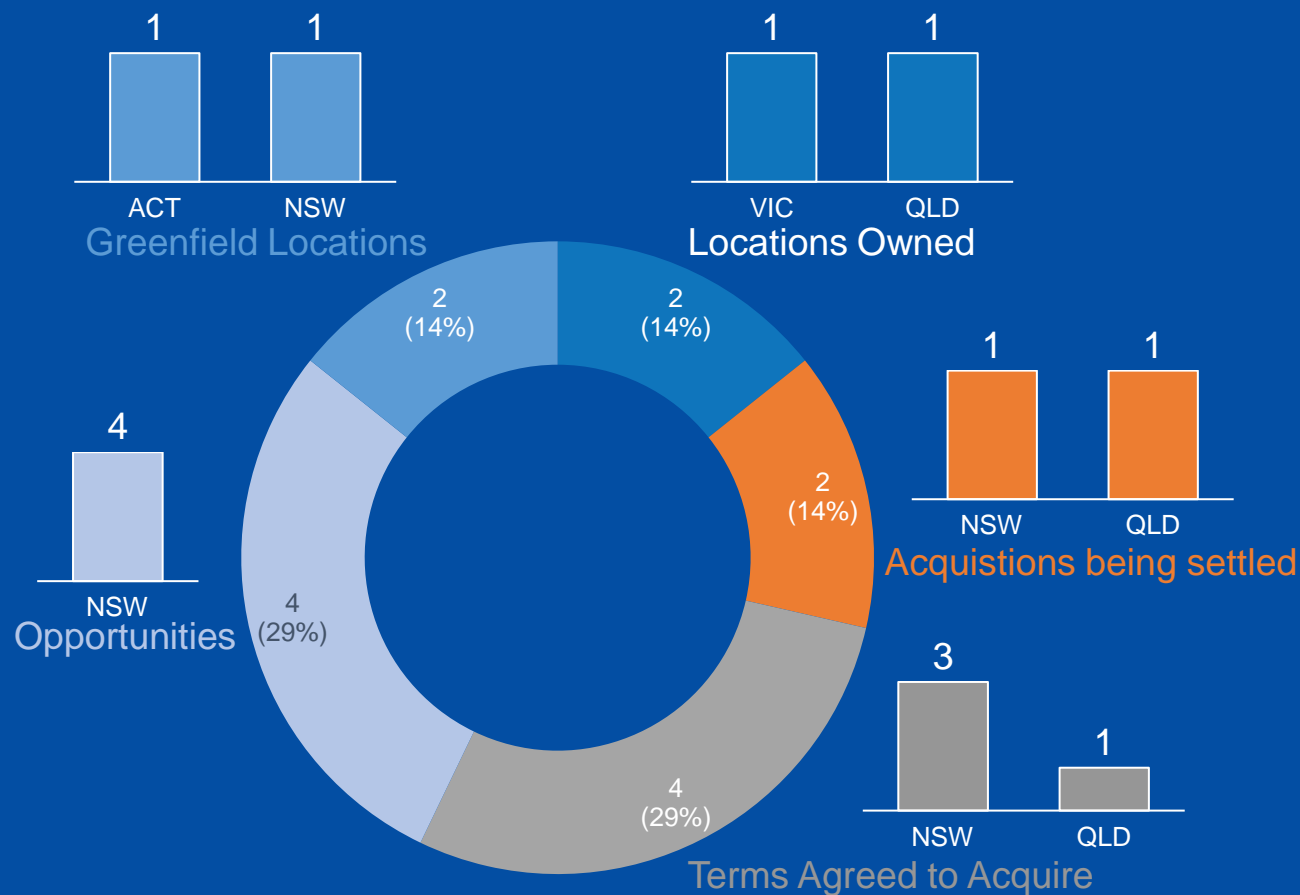
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- Australia growth of new locations slowed due to COVID-19, however the pipeline of new locations secured remains strong.
- New Zealand was stable with no new locations sold. Management plan to start considering New Zealand opportunities now that travel between Australia and New Zealand is permitted.
- India has one new location sold which will open in FY22
- Initiatives to assist Franchisees and ensure their businesses are more competitive and profitable are being finalised and expected to be announced in Q1-FY22



Plus Fitness Corporate Owned Locations

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- Viva is still on track to have opened or acquired 10 Plus Fitness locations by the end of FY21
- This represents approximately 5% of the Australian network
- As at 30 April 2021

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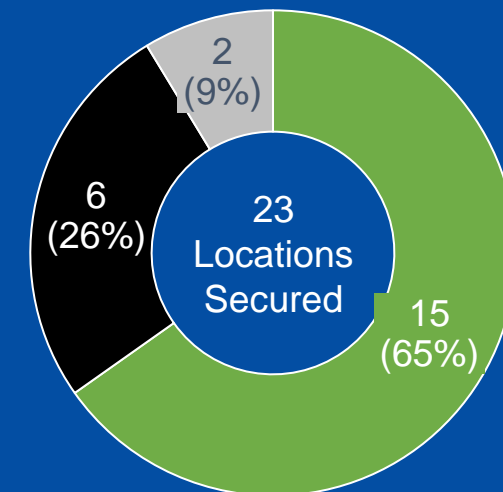
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- Viva's growth focus continues to be in Queensland and Victoria
- The GroundUp Boutique Studio concept will open its first two locations in the ACT
- Excludes Plus Fitness greenfield locations. Refer Plus Fitness section for details.

AUSTRALIA



Health Clubs Hiit Republic Boutique

VIVA
LEISURE

MARKET UPDATE (MAY 2021)

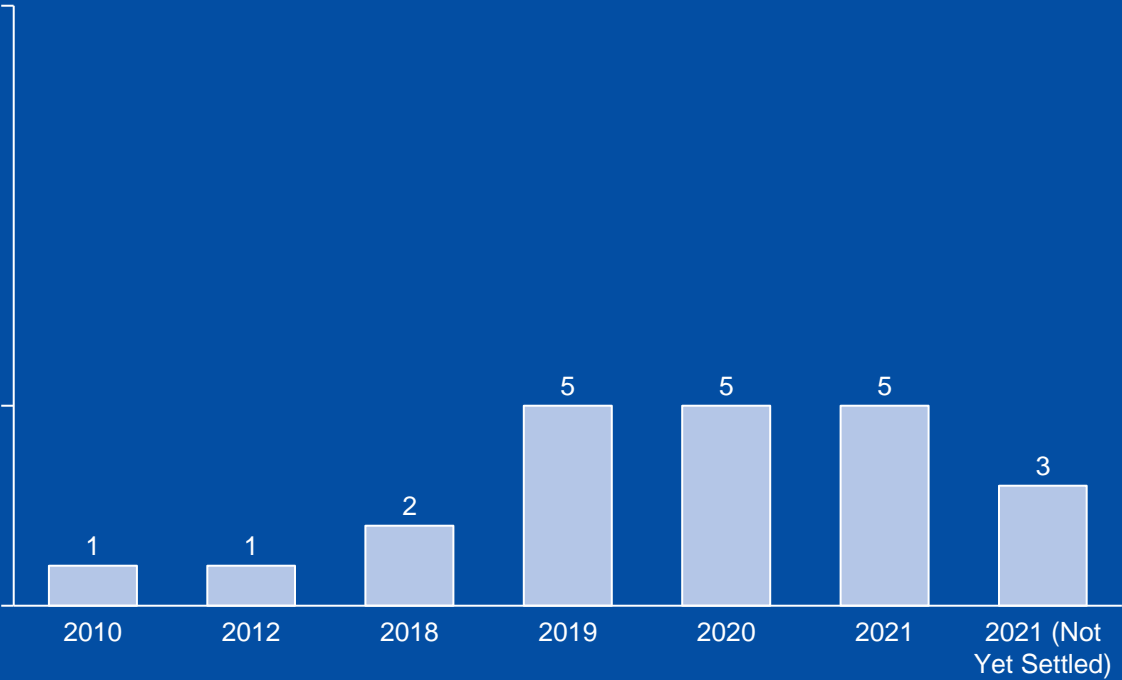
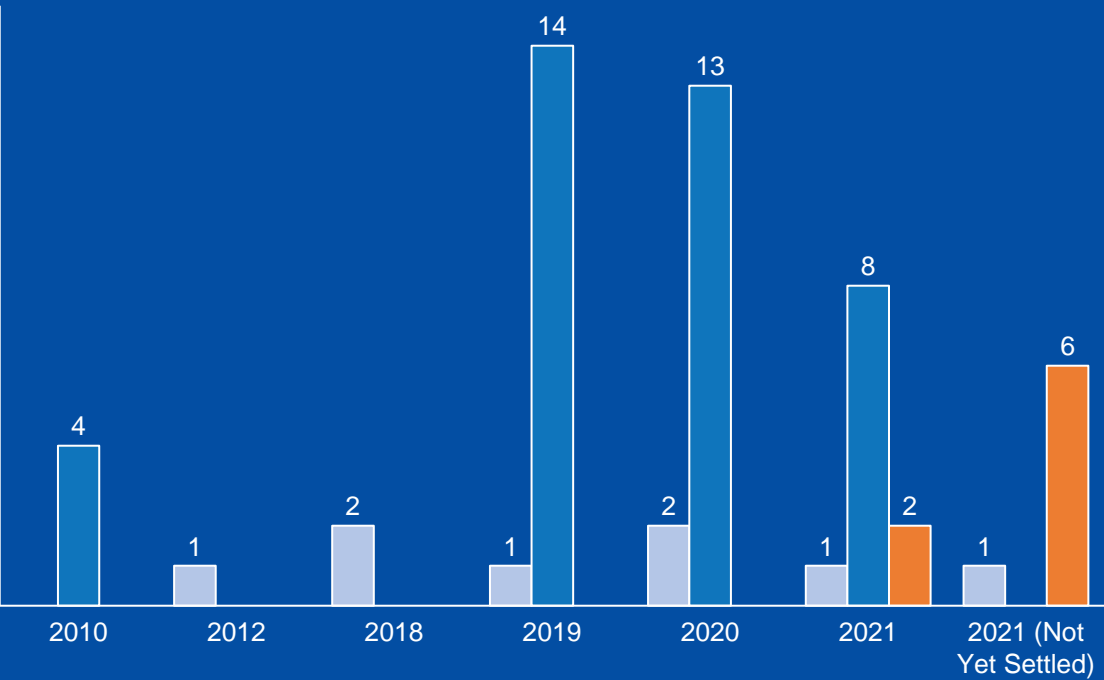
22
Acquisitions

51
Locations

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Clubs Acquired by Segment

Acquisitions made



Independents
Multi-Club Chains
Plus Fitness Clubs

All dates are based on calendar years for this report.

Glossary

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Abbreviation	Explanation
AFM	Australian Fitness Management Pty Ltd (Master Franchisor for Plus Fitness)
ARPM	Average Revenue Per Member
Club Margin	4-wall Club EBITDA Margin
Health Clubs & Other	Refers to Health Club brands and other smaller boutiques
N/C	Not able to be calculated
NMM	Net Member Movement
PCP	Previous Corresponding Period reported (ie: April 2021 compared to either half year or full year accounts)
PCP %	Percent movement from Previous Corresponding Period (ie: April 2021 compared to either half year or full year accounts)
Plus Fitness Corporate	Refers to locations owned by Viva Leisure and not franchised to third parties
RRR	Revenue Run Rate
Utilisation	Is calculated by multiplying Club m2 by 2.0 (Health Clubs) or 1.5 (Hiit Republic) to measure theoretical capacity